

Governor McAuliffe's Proposed 2018-2020 Budget

Economic Outlook and Revenue Forecast

*A Briefing for the Senate Finance,
House Appropriations and House Finance
Committees*

December 18, 2017



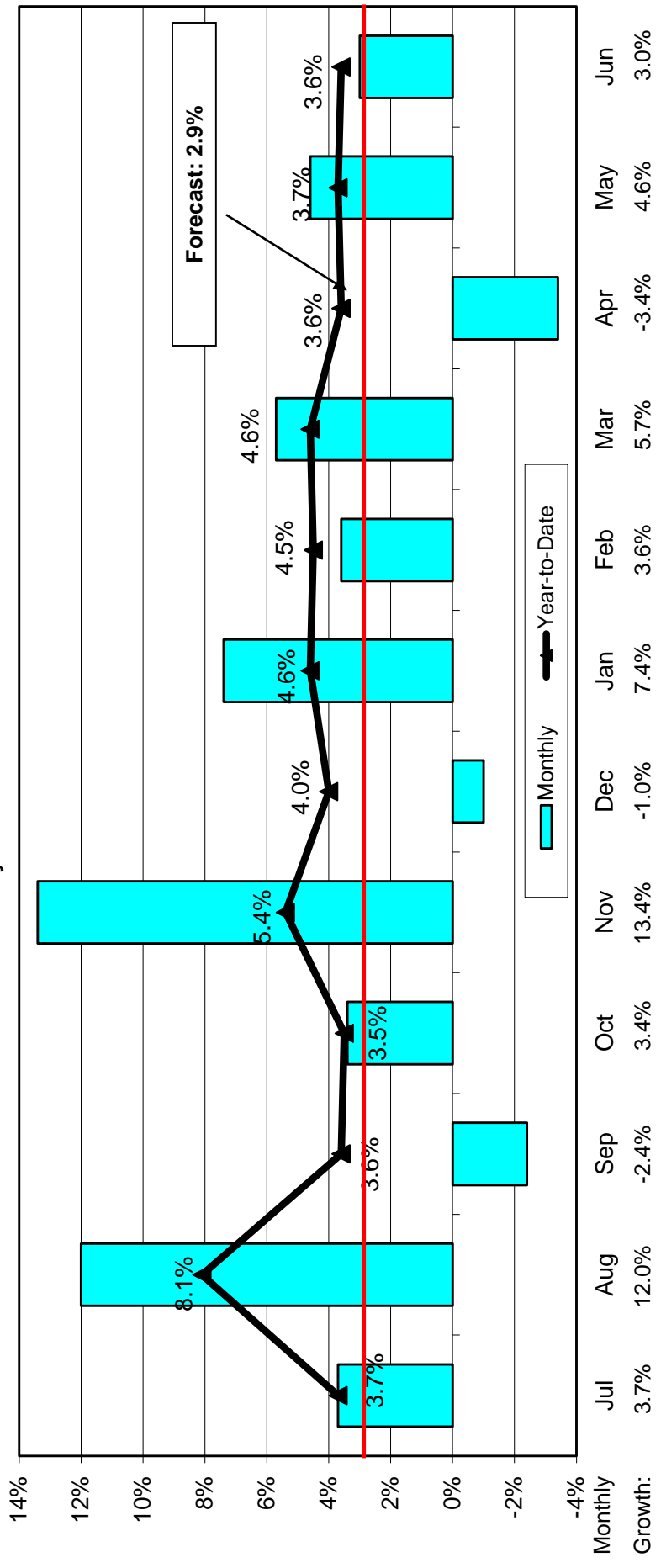
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Outline

- Fiscal Year 2017 Year-in-Review
- U.S. and Virginia Economic Outlook
- December Revenue Forecast
- November Revenue Collections
- Next Steps

Fiscal Year 2017 General Fund Revenue Grew at an Average Pace of 3.6 Percent

Growth in Total General Fund Revenue Collections FY17 Monthly and Year-to-Date



- Total general fund revenue collections exceeded the forecast by \$134.1 million, excluding transfers in fiscal year 2017, a forecast variance of 0.7 percent.
- Total general fund revenue collections rose 3.6 percent, ahead of the annual forecast of 2.9 percent growth.

Including Transfers, Fiscal Year 2017 General Fund Resources Grew 4.0 Percent and Finished \$136.6 Million (0.7 Percent) Above Forecast

Summary of Fiscal Year 2017 Revenue Collections (millions of dollars)

Major Sources	Official	Actual	Change	% Growth Over FY16	
				Official	Actual
Withholding	\$11,713.3	\$11,895.4	\$182.1	3.6 %	5.2 %
Nonwithholding	3,048.5	3,018.5	(30.0)	(0.7)	(1.7)
Refunds	(1,848.0)	(1,861.0)	(13.0)	1.5	2.2
Net Individual	\$12,913.8	\$13,052.9	\$139.1	2.9 %	4.0 %
Sales	\$3,386.8	\$3,357.1	(\$29.7)	2.8 %	1.9 %
Corporate	794.2	827.0	32.8	3.8	8.1
Wills (Recordation)	398.6	394.4	(4.2)	8.0	6.9
Insurance	344.1	340.9	(3.2)	1.5	0.5
All Other Revenue	723.5	722.9	(0.6)	1.1	1.0
Total Revenue	\$18,561.0	\$18,695.1	\$134.1	2.9 %	3.6 %
A.B.C. Profits	\$108.4	\$110.5	\$2.1	25.3 %	27.7 %
Sales Tax (0.375%)	365.4	365.9	0.5	2.8	2.9
Transfers	177.0	176.9	(0.1)	48.0	47.9
Total Transfers	\$650.8	\$653.3	\$2.5	15.9 %	16.3 %
TOTAL GENERAL FUND	\$19,211.8	\$19,348.4	\$136.6	3.3 %	4.0 %

- The gain in payroll withholding and the corporate income tax, about \$215 million, was somewhat offset by shortfalls in nonwithholding and sales tax collections.

Recent National and State Economic Indicators Suggest a Continued Expansion

- According to the second estimate, real GDP grew at an annualized rate of 3.3 percent in the third quarter of 2017, up from 3.1 percent in the second quarter.
- Following the hurricane disruptions, payroll employment rose by 228,000 jobs in November and 244,000 in October.
- The national unemployment rate remained at 4.1 percent in November due to a small gain in both the number employed and in the labor force.
- Initial claims for unemployment fell by 2,000 to 236,000 during the week ending December 2.
 - The four-week moving average remained essentially flat at 242,000, this low level is indicative of a labor market in good health.
- The Conference Board's index of consumer confidence increased 3.3 points in November; confidence is at its strongest level in almost 17 years and is up 20.1 points from a year ago.
- The Conference Board's index of leading indicators rose 1.2 percent from 128.9 to 130.4 in October.
- Conditions in the manufacturing sector remained solid, but were weaker than expected in November. The Institute of Supply Management index fell from 58.7 to 58.2.

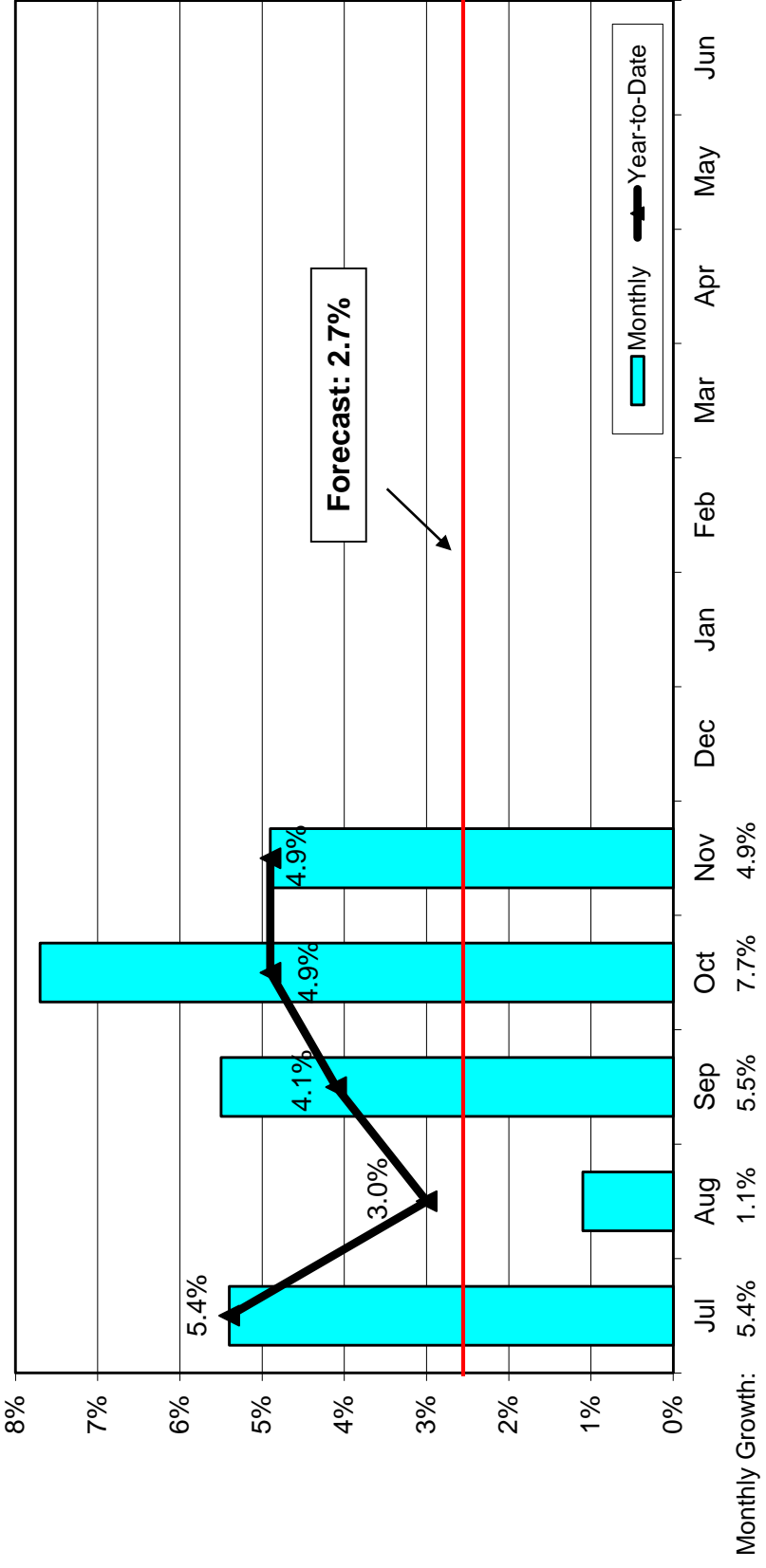
Recent National and State Economic Indicators Suggest a Continued Expansion *(continued)*

- The CPI rose 0.1 percent in October after a 0.5 percent gain in September and stands 2.0 percent above October 2016.
 - Core inflation (excluding food and energy prices) rose 0.2 percent, and has increased 1.8 percent from last year.
- At its December meeting, the Federal Reserve raised the federal funds rate target to 1.25 to 1.50 percent.
- In Virginia, employment growth slowed in October. Payroll employment rose 0.9 percent in October from a year ago.
 - Northern Virginia posted growth of 0.9 percent, Hampton Roads declined 1.2 percent, and Richmond-Petersburg rose 1.3 percent.
 - The seasonally adjusted unemployment rate fell 0.1 percentage point to 3.6 percent and stands 0.5 percentage point below October 2016.
- The Virginia Leading Index rose 0.1 percent in October after increasing 0.1 percent in September. The U.S. Leading Index and initial claims improved in October while auto registrations fell; future employment was unchanged.
 - With the exception of the Blacksburg and Staunton indexes, all of the regional indexes increased in October.

Fiscal Year 2018 Year-to-Date Revenue Collections Through November

Growth in Total General Fund Revenue Collections

FY18 Monthly and Year-to-Date



- Total general fund revenues increased 4.9 percent in November.
 - Strength in payroll withholding and sales tax accounted for about 2/3rds of the growth.
- On a year-to-date basis, total revenues increased 4.9 percent, ahead of the annual forecast of a 2.7 percent increase.

Fall 2017 Consensus Forecasting Process

- The Joint Advisory Board of Economists (JABE) met October 11th.
 - The September standard forecast was close to the standard outlook adopted last year; however, 7 members voted for a standard minus, 2 members voted for the pessimistic, 2 members voted for the standard, and 2 members voted for the standard plus for the Virginia economy in FY18.
 - Nine members recommended the standard forecast for FY19 and FY20.
 - 3 members voted for the standard plus.
 - 1 member voted for the pessimistic forecast.
 - There was no support for the optimistic Moody's Analytics forecast.
- The Governor's Advisory Council on Revenue Estimates (GACRE) met November 20th.
 - Members evaluated JABE recommendations, revenue collections through October, and the associated revenue forecasts for the FY18-20 biennium.
 - At the GACRE meeting, 8 business members voted for the standard, 3 voted for a standard plus forecast, and 2 voted for a standard minus forecast for FY18. The members were about evenly split between the standard forecast and a standard plus or minus forecast for FY19-20.
 - Most members of the General Assembly who attended expressed caution.

GACRE Members Concurred with the JABE Recommended Forecast

- IHS Markit October U.S. standard forecast reflects economic growth similar to the Official October forecast.
 - As a result, FY18 real GDP is expected to grow 2.4 percent, personal income is expected to grow 3.5 percent, and employment is expected to grow 1.4 percent.

Key Virginia Economic Indicators

Official and October Standard Forecasts

	Annual Percent Change			
	16	17	18	20
Employment				
Official (Oct '16)	2.4	1.5	1.0	0.9
Oct Standard	2.3	1.2	1.3	0.8
Personal Income				
Official (Oct '16)	4.1	3.9	4.2	4.8
Oct Standard	3.4	2.4	3.3	4.6
Wages & Salaries				
Official (Oct '16)	4.7	4.4	3.9	5.0
Oct Standard	3.8	2.7	3.6	4.0

- The October 2017 Virginia Economic Outlook for FY18-20 remains the standard forecast that is consistent with the Official (Oct '16) forecast and the advice of JABE and GACRE.

December Revenue Forecast (Introduced Budget) Is Essentially the GACRE Forecast

- Improved revenue collections through November would suggest that the GACRE forecast is conservative and in-line with the advice of the GACRE members.
- The main post-GACRE revenue adjustment was to reflect actual amnesty results.
- Some minor tax policy changes (federal tax conformity, tax enforcement and compliance) are proposed by the Governor.
- Virginia currently conforms to the federal tax code as of December 31, 2016. A bill will be introduced to set fixed state conformity as of December 1, 2017. The December 1 date avoids any effects of federal tax reform pending in Congress (Federal tax reform efforts were not finalized at the time our introduced budget bill went to press).
 - The General Assembly can address the federal tax reform and changes to the conformity bill once the impacts of federal tax reform on the state are known.

Effects of Possible Federal Tax Reform

Provisions with Positive Virginia Revenue Impact:

- Increasing federal standard deduction and eliminating personal exemptions
- Modifying the itemized deduction for home mortgage interest
- Eliminating many individual income tax deductions
- Modifying the exclusion for gains from sale of a principal residence
- Eliminating exclusions for dependent care/adoption assistance programs
- Modifying the rules regarding net operating losses
- Restricting the special rule allowing deferral of gain on like-kind exchanges
- Disallowing or modifying certain business deductions

Provisions with Negative Virginia Revenue Impact:

- Increasing the amount that small businesses may expense under IRC § 179
- Increasing the annual deduction limitation for certain charitable contributions
- Modifying the accounting methods used by certain small businesses

December General Fund Revenue Forecast

Decomposition of the December Revenue Forecast

Fiscal Years 2018 through 2020
(millions of dollars)

	FY18	FY19	FY20	2019-20 Biennium
<u>GACRE Revenue Forecast</u>	\$19,378.0	\$20,091.6	\$20,881.4	\$40,973.0
Total Revenue Growth: GACRE	3.7%	3.7%	3.9%	
<u>Policy Adjustments</u>				
Tax Amnesty	(47.3)	(3.3)	0.0	(3.3)
Federal Tax Conformity	(2.5)	7.9	10.6	18.5
Total	(49.8)	0.3	0.3	0.6
		4.9	10.9	19.1
Total General Fund Revenues	\$19,328.2	\$ 20,096.5	\$ 20,892.3	\$40,988.8
Total Revenue Growth: December	3.4%	4.0%	4.0%	4.0%

Note: numbers may not add due to rounding.

The Official and December Standard General Fund Forecasts

(Dollars in Millions)

December 18, 2017

	Fiscal Year 2018				2016-2018 Biennium			
	Official	December	Change	% Growth Over FY17	Official	December	Change	
Withholding	\$12,103.9	\$12,313.3	\$209.4	3.3 %	\$23,817.2	\$24,208.7	\$391.5	
Nonwithholding	3,229.7	3,147.3	(82.4)	5.9	6,278.2	6,165.8	(112.4)	
Refunds	(1,943.6)	(1,968.7)	(25.1)	5.2	(3,791.6)	(3,829.7)	(38.1)	
Net Individual	\$13,390.0	\$13,491.9	\$101.9	3.7	\$26,303.8	\$26,544.8	\$241.0	
Sales	\$3,450.6	\$3,458.2	\$7.6	1.9	\$6,837.4	\$6,815.3	(\$22.1)	
Corporate	840.6	874.0	33.4	5.8	1,634.8	1,701.0	66.2	
Wills (Recordation)	407.9	407.2	(0.7)	2.3	806.5	801.6	(4.9)	
Insurance	364.8	362.1	(2.7)	6.0	708.9	703.0	(5.9)	
All Other Revenue	739.4	734.8	(4.6)	2.2	1,462.9	1,457.7	(5.2)	
Total Revenue	\$19,193.3	\$19,328.2	\$134.9	3.4 %	\$37,754.3	\$38,023.3	\$269.0	
A.B.C. Profits	\$103.0	\$104.1	\$1.1	(5.0) %	\$211.4	\$214.6	\$3.2	
Sales Tax (0.375%)	374.3	379.1	4.8	2.4	739.7	745.0	5.3	
Transfers Per Act	163.5	139.5	(24.0)	(7.6)	340.5	316.4	(24.1)	
Total Transfers	\$640.8	\$622.7	(\$18.1)	(1.5) %	\$1,291.6	\$1,276.0	(\$15.6)	
TOTAL GENERAL FUND	\$19,834.1	\$19,950.9	\$116.8	3.2 %	\$39,045.9	\$39,299.3	\$253.4	

Fiscal Year 2018 Year-to-Date Revenue Collections Through November

November Year-to-Date Collections and FY18 December Forecast

Percent Growth over Prior Year

Major Source	As a % of Total Revenues	YTD		Annual		Dec-Jun Req'd		Prior Year	
		Actual	%	Estimate	Variance	to Meet Est.	%	Dec-Jun	%
Withholding	63.7 %	4.0 %	3.5 %	0.5 %	3.2 %	4.0 %			
Nonwithholding	16.3	1.0	4.3	(3.3)	5.1	(2.3)			
Refunds	(10.2)	6.1	5.8	0.3	5.7	3.7			
Net Individual	69.8	3.6	3.4	0.2	3.2	2.1			
Sales	17.9	4.7	3.0	1.7	2.1	4.4			
Corporate	4.5	57.8	5.7	52.1	(8.0)	4.8			
Wills (Recordation)	2.1	(2.4)	3.3	(5.7)	7.7	2.5			
Insurance	1.9	n/a	6.2	n/a	6.2	0.5			
All Other Revenue	3.8	2.0	1.6	0.4	1.5	2.2			
Total	100.0 %	4.9 %	3.4 %	1.5 %	2.5 %	2.6 %			

December Standard General Fund Forecast

(Dollars in Millions)

December 18, 2017

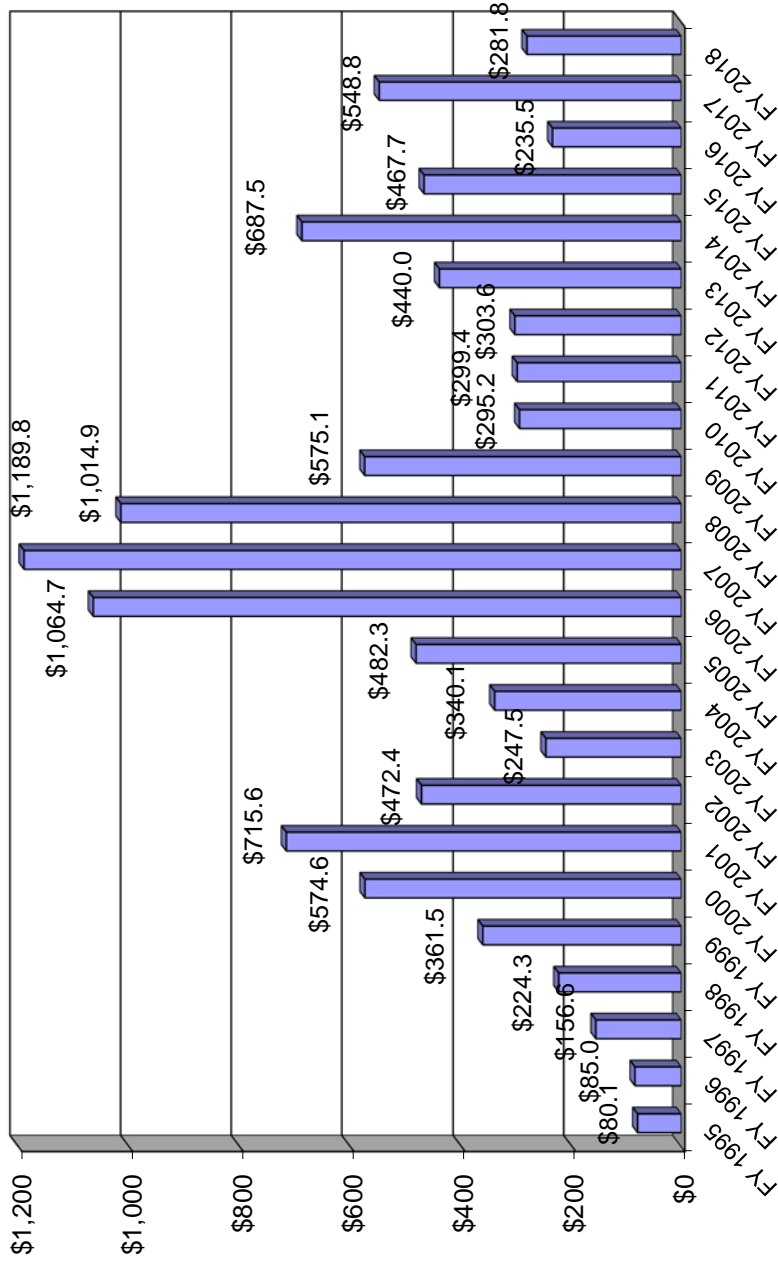
	Fiscal Year 2019		Fiscal Year 2020		2018-2020 Biennium	
	December Forecast	% Growth Over FY 18	December Forecast	% Growth Over FY 19	December Forecast	% Growth Over 16-18
Withholding	\$ 12,810.2	4.0 %	\$ 13,308.5	3.9 %	\$ 26,118.7	7.9 %
Nonwithholding	3,361.5	6.8	3,631.0	8.0	6,992.5	13.4
Refunds	(2,061.3)	4.7	(2,153.9)	4.5	(4,215.2)	10.1
Net Individual	\$ 14,110.4	4.6	\$ 14,785.6	4.8	\$ 28,896.0	8.9
State Sales & Use Tax	\$ 3,547.1	2.6	\$ 3,625.0	2.2	\$ 7,172.1	5.2
Corporate Income	912.0	4.3	926.4	1.6	1,838.4	8.1
Wills (Recordation)	407.2	0.0	407.2	0.0	814.4	1.6
Insurance	376.6	4.0	384.6	2.1	761.2	8.3
All Other Revenue	743.2	1.1	763.5	2.7	1,506.7	3.4
Total Revenue	\$20,096.5	4.0 %	\$20,892.3	4.0 %	40,988.8	7.8 %
A.B.C. Profits	\$ 109.8	5.5 %	\$ 115.5	5.2 %	\$ 225.3	5.0 %
Sales Tax (0.375%)	386.7	2.0	395.2	2.2	781.9	5.0
Transfers Per Act	119.2	(14.6)	115.0	(3.5)	234.2	(26.0)
Total Transfers	\$ 615.7	(1.1) %	\$ 625.7	1.6 %	\$ 1,241.4	(2.7) %
TOTAL GENERAL FUND	\$ 20,712.2	3.8 %	\$ 21,518.0	3.9 %	\$ 42,230.2	7.5 %

A Mandatory Deposit of \$605.6 Million Was Made to the Revenue Stabilization Fund in FY2017 As Well As A Withdrawal of \$294.7 Million. The Fund Balance was \$548.8 Million as of June 30, 2017.

Revenue Stabilization Fund – June 30 Balance

FY1995-2017 Actual and FY 2018 Forecast

(millions of dollars)



- Another withdrawal estimated at \$272.5 million will occur in FY2018.
- A mandatory deposit is not required to the Fund in FY 2018. Also, pending certification by the Auditor of Public Accounts, we estimate no deposit will be required in FY 2019.

Next Steps in the Revenue Forecasting Process

- The mid-session review will incorporate the latest economic and revenue data.
 - IHS Markit January U.S. economic outlook:
 - Impact of any federal budget agreements
 - Holiday retail sales
 - Key additional revenue data will be available:
 - **December 15** – due date for the fourth quarter corporate estimated income tax payment
 - **January 16** – due date for the fourth quarter individual estimated income tax payment
 - **January 22** – due date for retail sales tax collections, reflecting the main holiday shopping season
- Federal tax reform can be addressed separately, if needed, in concert with federal tax conformity legislation during the 2018 session.

APPENDIX

This presentation and the appendix data listed below are available at the Secretary of Finance website (www.finance.virginia.gov).

- U.S. Economic Indicators
- Virginia Economic Indicators
- General Fund Forecast, FY 2018-2024
- Commonwealth Transportation Fund Forecast, FY 2018-2024
- Virginia Health Care Fund Forecast, FY 2018-2024
- GACRE November Standard Revenue Forecast
- GACRE November Pessimistic Revenue Forecast
- Growth in General Fund Revenues, FY 1961-2020
- Nongeneral Fund Forecast, FY 2017-2024
- November 2017 Revenue Report

Fiscal Years 2015-2020 Official and October Forecasts
U.S. Economic Forecasts - Income and Other Indicators

		<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
<u>Output, Income, and Spending (% Change)</u>							
Real GDP	Official (Oct '16)	2.9	1.7	1.7	2.3	2.2	2.2
	Oct Standard	3.2	1.7	1.9	2.4	2.3	2.2
	Oct Pessimistic			1.9	1.7	0.0	2.4
Total Personal Income	Official (Oct '16)	5.3	3.7	3.8	4.7	5.0	4.9
	Oct Standard	5.8	3.6	2.5	3.5	4.5	5.0
	Oct Pessimistic			2.5	3.2	2.8	4.3
Wages and Salaries (51%)	Official (Oct '16)	5.3	4.5	4.3	5.0	5.0	4.9
	Oct Standard	5.3	4.2	2.8	4.1	4.9	4.9
	Oct Pessimistic			2.8	3.7	3.0	4.0
Average Wage	Official (Oct '16)	3.1	2.5	2.8	4.1	4.0	3.8
	Oct Standard	3.1	2.3	1.1	2.7	3.7	3.8
	Oct Pessimistic			1.1	2.6	3.2	3.5
Real Consumer Spending	Official (Oct '16)	3.4	2.7	2.8	2.2	2.5	2.4
	Oct Standard	3.7	3.0	2.8	2.5	2.4	2.4
	Oct Pessimistic			2.8	2.2	0.8	2.0
<u>Interest Rates (%)</u>							
3-Month Treasury Bills	Official (Oct '16)	0.0	0.2	0.5	1.0	1.8	2.5
	Oct Standard	0.0	0.2	0.6	1.3	2.1	2.8
	Oct Pessimistic			0.6	1.2	1.0	1.1
30-Year Treasury Bonds	Official (Oct '16)	2.9	2.8	2.5	3.0	3.5	4.0
	Oct Standard	2.9	2.8	2.8	3.3	4.0	4.6
	Oct Pessimistic			2.8	3.5	4.1	3.8
<u>Prices (% Change)</u>							
CPI	Official (Oct '16)	0.7	0.7	1.9	2.5	2.5	2.6
	Oct Standard	0.7	0.7	1.9	1.8	2.0	2.5
	Oct Pessimistic			1.9	1.8	1.9	2.3
GDP Deflator	Official (Oct '16)	1.4	1.1	2.0	2.3	2.1	2.1
	Oct Standard	1.4	1.1	1.6	1.7	2.3	2.1
	Oct Pessimistic			1.6	1.7	2.1	2.0

The Official forecast is IHS Markit October 2016 U.S. standard scenario.

The Oct Standard forecast is IHS Markit October 2017 U.S. standard forecast.

The Oct Pessimistic forecast is IHS Markit October 2017 U.S. pessimistic alternative scenario.

Fiscal Years 2015-2020 Official October Forecasts
U.S. Economic Forecasts - Employment and Labor Markets

		<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
<u>Employment and Labor Markets (% Change)</u>							
Total Nonagricultural Employment	Official (Oct '16)	2.1	1.9	1.5	0.9	0.9	1.0
	Oct Standard	2.1	1.9	1.6	1.4	1.2	1.0
	Oct Pessimistic			1.6	1.1	(0.3)	0.4
Construction (4%)	Official (Oct '16)	5.4	4.1	2.1	1.8	2.3	2.4
	Oct Standard	5.4	4.7	3.0	2.2	2.2	3.5
	Oct Pessimistic			3.0	1.6	(3.0)	(0.6)
Manufacturing (9%)	Official (Oct '16)	1.6	0.3	(0.3)	0.5	1.3	1.6
	Oct Standard	1.6	0.6	0.1	1.3	2.2	1.2
	Oct Pessimistic			0.1	1.1	0.8	0.3
Trade, Transportation, and Utilities (19%)	Official (Oct '16)	2.1	1.8	1.1	0.1	0.2	0.1
	Oct Standard	2.1	1.5	1.0	0.5	0.2	(0.1)
	Oct Pessimistic			1.0	0.3	(1.0)	(0.6)
Financial Activities (6%)	Official (Oct '16)	1.6	1.9	1.8	(0.3)	(0.3)	(0.4)
	Oct Standard	1.6	1.9	2.1	1.8	1.2	0.3
	Oct Pessimistic			2.1	1.2	(0.6)	0.8
Professional and Business Services (14%)	Official (Oct '16)	3.1	3.1	3.0	3.8	2.6	2.1
	Oct Standard	3.0	2.7	2.9	3.1	3.9	3.3
	Oct Pessimistic			2.9	1.5	(1.1)	5.1
Education and Health Services (15%)	Official (Oct '16)	2.3	3.1	2.3	1.3	1.0	1.1
	Oct Standard	2.3	2.8	2.5	2.0	1.1	0.8
	Oct Pessimistic			2.5	2.2	1.6	0.3
Leisure and Hospitality (10%)	Official (Oct '16)	2.9	2.9	2.2	0.9	0.7	0.8
	Oct Standard	2.9	3.4	2.3	1.5	0.2	(0.0)
	Oct Pessimistic			2.3	1.7	0.1	(1.1)
Government (16%)	Official (Oct '16)	0.5	0.5	0.5	0.1	0.6	1.2
	Oct Standard	0.5	0.8	0.9	0.2	0.4	0.8
	Oct Pessimistic			0.9	0.2	(0.2)	(0.2)
Unemployment Rate (%)	Official (Oct '16)	5.7	5.0	4.9	4.7	4.6	4.6
	Oct Standard	5.7	5.0	4.7	4.3	4.3	4.3
	Oct Pessimistic			4.7	4.5	5.4	5.6

The Official forecast is IHS Markit October 2016 U.S. standard scenario.

The Oct Standard forecast is IHS Markit October 2017 U.S. standard forecast.

The Oct Pessimistic forecast is IHS Markit October 2017 U.S. pessimistic alternative scenario.

Fiscal Years 2015-2020 Official and October Forecasts
Virginia Economic Forecasts - Employment and Labor Markets

		<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
<u>Employment and Labor Markets (% Change)</u>							
Total Nonagricultural Employment	Official (Oct '16)	1.1	2.4	1.5	1.0	0.9	0.9
	Oct Standard	1.1	2.3	1.2	1.3	1.0	0.8
	Oct Pessimistic			1.2	1.0	(0.5)	0.3
Construction and Mining (5%)	Official (Oct '16)	1.7	2.1	4.6	3.5	3.8	3.2
	Oct Standard	1.8	2.5	1.5	1.9	3.5	4.4
	Oct Pessimistic			1.5	1.2	(2.2)	(0.0)
Manufacturing (6%)	Official (Oct '16)	0.5	0.2	1.2	1.4	1.1	1.1
	Oct Standard	0.5	0.5	(0.5)	(0.7)	1.3	1.3
	Oct Pessimistic			(0.5)	(1.0)	(0.5)	0.1
Trade, Transportation, and Utilities (17%)	Official (Oct '16)	1.0	2.9	1.3	0.0	0.3	0.3
	Oct Standard	1.1	2.2	0.2	0.3	0.1	(0.1)
	Oct Pessimistic			0.2	0.1	(1.2)	(0.7)
Financial Activities (5%)	Official (Oct '16)	1.3	2.2	(0.4)	(1.6)	(1.4)	(0.2)
	Oct Standard	1.3	1.8	2.1	1.7	1.1	0.3
	Oct Pessimistic			2.1	0.9	(1.1)	1.0
Professional and Business Services (19%)	Official (Oct '16)	1.4	3.7	3.5	2.3	1.5	1.7
	Oct Standard	1.5	3.1	2.6	2.6	2.8	2.0
	Oct Pessimistic			2.6	1.4	(1.2)	3.2
Education and Health Services (14%)	Official (Oct '16)	1.7	3.5	2.0	1.3	1.6	1.4
	Oct Standard	1.9	4.1	1.4	2.0	0.8	0.5
	Oct Pessimistic			1.4	2.1	1.5	(0.1)
Leisure and Hospitality (10%)	Official (Oct '16)	2.0	4.1	1.0	1.1	1.5	0.9
	Oct Standard	2.1	4.9	2.1	1.8	0.8	0.2
	Oct Pessimistic			2.1	2.0	0.7	(0.7)
Government (18%)	Official (Oct '16)	0.2	0.2	0.5	0.5	0.1	0.1
	Oct Standard	0.1	0.2	0.3	0.4	(0.0)	0.2
	Oct Pessimistic			0.3	0.4	(0.1)	0.2
Unemployment Rate (%)	Official (Oct '16)	4.9	4.7	4.3	4.0	4.0	4.0
	Oct Standard	4.8	4.1	4.0	3.6	3.5	3.5
	Oct Pessimistic			4.0	3.7	4.1	4.3

The Official forecast is based on IHS Markit October 2016 U.S. standard forecast and as recommended by JABE and GACRE.

The Oct Standard forecast is IHS Markit October 2017 U.S. standard forecast.

The Oct Pessimistic forecast is IHS Markit October 2017 U.S. pessimistic alternative scenario.

Fiscal Years 2015-2020 Official and October Forecasts
Virginia Economic Forecasts - Income

		<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
<u>Income (% Change)</u>							
Total Personal Income	Official (Oct '16)	4.8	4.1	3.9	4.2	4.9	4.8
	Oct Standard	4.9	3.4	2.4	3.3	4.3	4.6
	Oct Pessimistic			2.4	3.1	3.0	3.9
Wages and Salaries (52%)	Official (Oct '16)	3.2	4.7	4.4	3.9	4.9	5.0
	Oct Standard	3.5	3.8	2.7	3.6	4.4	4.0
	Oct Pessimistic			2.7	3.3	2.9	3.3
Average Wage	Official (Oct '16)	2.1	2.3	2.8	2.9	4.0	4.1
	Oct Standard	2.4	1.5	1.5	2.2	3.4	3.1
	Oct Pessimistic			1.5	2.3	3.4	3.0
Dividends, Interest, and Rent (20%)	Official (Oct '16)	6.4	2.0	3.7	6.3	7.3	6.0
	Oct Standard	7.6	2.5	2.2	3.2	5.3	7.2
	Oct Pessimistic			2.2	2.9	2.2	5.3
Supplements to Wages and Salaries (12%)	Official (Oct '16)	3.9	4.6	3.5	4.4	3.9	3.8
	Oct Standard	5.5	3.6	(0.1)	1.9	3.0	3.6
	Oct Pessimistic			(0.1)	2.1	3.7	3.2
Proprietor's Income (6%)	Official (Oct '16)	6.1	5.7	1.3	3.9	(1.7)	(0.7)
	Oct Standard	1.9	(0.8)	2.6	2.9	(0.2)	(3.7)
	Oct Pessimistic			2.6	1.2	(4.5)	0.5
Net Transfer Payments (6%)	Official (Oct '16)	8.6	6.9	4.4	0.5	6.4	7.5
	Oct Standard	9.4	5.3	3.8	3.9	6.7	10.0
	Oct Pessimistic			3.8	5.0	10.8	9.3

The Official forecast is based on IHS Markit October 2016 U.S. standard forecast and as recommended by JABE and GACRE.

The Oct Standard forecast is IHS Markit October 2017 U.S. standard forecast.

The Oct Pessimistic forecast is IHS Markit October 2017 U.S. pessimistic alternative scenario.

The Official to December Standard General Fund Forecast for Fiscal Year 2018
(Dollars in Millions)

December 18, 2017

	Fiscal Year 2018					2016-2018 Biennium		
	Official Forecast	December Forecast	Change	% Growth Over FY 17 Official	% Growth Over FY 17 December	Official Forecast	December Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 840.6	\$ 874.0	\$ 33.4	5.8 %	5.7 %	\$ 1,634.8	\$ 1,701.0	\$ 66.2
Individual Income Tax:								
Gross	15,333.6	15,460.6	127.0	3.9	3.7	30,095.4	30,374.5	279.1
Withholding	12,103.9	12,313.3	209.4	3.3	3.5	23,817.2	24,208.7	391.5
Nonwithholding	3,229.7	3,147.3	(82.4)	5.9	4.3	6,278.2	6,165.8	(112.4)
Refunds	<u>(1,943.6)</u>	<u>(1,968.7)</u>	<u>(25.1)</u>	<u>5.2</u>	<u>5.8</u>	<u>(3,791.6)</u>	<u>(3,829.7)</u>	<u>(38.1)</u>
Net	13,390.0	13,491.9	101.9	3.7	3.4	26,303.8	26,544.8	241.0
Insurance Company Premiums	364.8	362.1	(2.7)	6.0	6.2	708.9	703.0	(5.9)
State Sales & Use Tax	3,450.6	3,458.2	7.6	1.9	3.0	6,837.4	6,815.3	(22.1)
Wills, Suits, Deeds, & Contract Fees	<u>407.9</u>	<u>407.2</u>	<u>(0.7)</u>	<u>2.3</u>	<u>3.3</u>	<u>806.5</u>	<u>801.6</u>	<u>(4.9)</u>
Total Major Tax Sources	\$ 18,453.9	\$ 18,593.4	\$ 139.5	3.5 %	3.5 %	\$ 36,291.4	\$ 36,565.6	\$ 274.2
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 191.4	\$ 189.7	\$ (1.7)	4.5 %	5.0 %	\$ 374.6	\$ 370.4	\$ (4.2)
Bank Franchise Tax	18.4	22.0	3.6	0.0	(0.2)	36.8	44.0	7.2
Beer & Beverage Excise Tax	42.3	42.3	0.0	0.0	1.5	84.6	84.0	(0.6)
Corporate Franchise & Charter Fees	50.0	51.2	1.2	0.0	(4.0)	100.0	104.6	4.6
Excess & Other Fees from Officers	(7.1)	(7.9)	(0.8)	0.0	0.4	(14.2)	(15.8)	(1.6)
Estate & Gifts	0.0	0.8	0.8	n/a	n/a	0.0	9.0	n/a
Institutional Revenues	6.0	2.1	(3.9)	0.0	(7.0)	12.0	4.4	(7.6)
Interest & Rents	61.8	68.1	6.3	0.0	21.7	123.6	124.1	0.5
Licenses & Permits	4.1	4.2	0.1	0.0	0.9	8.2	8.4	0.2
Miscellaneous Taxes and Penalties	237.8	231.5	(6.3)	3.4	(2.4)	467.8	468.8	1.0
Other Miscellaneous Revenues	36.9	32.8	(4.1)	(0.3)	9.0	73.9	62.9	(11.0)
Public Service GR / Consumption Tax	<u>97.8</u>	<u>98.0</u>	<u>0.2</u>	<u>0.0</u>	<u>3.1</u>	<u>195.6</u>	<u>193.1</u>	<u>(2.5)</u>
Total Misc. Taxes and Other Revenues	\$ 739.4	\$ 734.8	\$ (4.6)	2.2 %	1.6 %	\$ 1,462.9	\$ 1,457.7	\$ (5.2)
TOTAL GF REVENUES	\$ 19,193.3	\$ 19,328.2	\$ 134.9	3.4 %	3.4 %	\$ 37,754.3	\$ 38,023.3	\$ 269.0
TRANSFERS								
A.B.C. Profits	\$ 103.0	\$ 104.1	\$ 1.1	(5.0) %	(5.8) %	\$ 211.4	\$ 214.6	\$ 3.2
Sales Tax (0.375%)	374.3	379.1	4.8	2.4	3.6	739.7	745.0	5.3
Transfers Per Appropriations Act	<u>163.5</u>	<u>139.5</u>	<u>(24.0)</u>	<u>(7.6)</u>	<u>(21.1)</u>	<u>340.5</u>	<u>316.4</u>	<u>(24.1)</u>
Total Transfers	\$ 640.8	\$ 622.7	\$ (18.1)	(1.5) %	(4.7) %	\$ 1,291.6	\$ 1,276.0	\$ (15.6)
TOTAL GENERAL FUND	\$ 19,834.1	\$ 19,950.9	\$ 116.8	3.2 %	3.1 %	\$ 39,045.9	\$ 39,299.3	\$ 253.4

The Official forecast is based on the October 2016 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation and includes actions of the 2017 General Assembly Session -- Chapter 836.

The December forecast is based on the October 2017 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE and GACRE and contains the same policy assumptions in Chapter 836.

The December Standard General Fund Forecast for Fiscal Years 2019-2020
(Dollars in Millions)

December 18, 2017

	Fiscal Year 2019		Fiscal Year 2020		2018-2020 Biennium	
	December Forecast	% Growth Over FY 18	December Forecast	% Growth Over FY 19	December Forecast	% Growth Over 16-18
MAJOR TAX SOURCES						
Corporate Income	\$ 912.0	4.3 %	\$ 926.4	1.6 %	\$ 1,838.4	8.1 %
Individual Income Tax:						
Gross	16,171.7	4.6	16,939.5	4.7	33,111.2	9.0
Withholding	12,810.2	4.0	13,308.5	3.9	26,118.7	7.9
Nonwithholding	3,361.5	6.8	3,631.0	8.0	6,992.5	13.4
Refunds	<u>(2,061.3)</u>	<u>4.7</u>	<u>(2,153.9)</u>	<u>4.5</u>	<u>(4,215.2)</u>	<u>10.1</u>
Net	14,110.4	4.6	14,785.6	4.8	28,896.0	8.9
Insurance Company Premiums	376.6	4.0	384.6	2.1	761.2	8.3
State Sales & Use Tax	3,547.1	2.6	3,625.0	2.2	7,172.1	5.2
Wills, Suits, Deeds, & Contract Fees	<u>407.2</u>	<u>0.0</u>	<u>407.2</u>	<u>0.0</u>	<u>814.4</u>	<u>1.6</u>
Total Major Tax Sources	\$ 19,353.3	4.1 %	\$ 20,128.8	4.0 %	\$ 39,482.1	8.0 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 197.5	4.1 %	\$ 205.9	4.3 %	\$ 403.4	8.9 %
Bank Franchise Tax	22.0	0.0	22.0	0.0	44.0	(0.1)
Beer & Beverage Excise Tax	42.3	0.0	42.3	0.0	84.6	0.7
Corporate Franchise & Charter Fees	51.2	0.0	51.2	0.0	102.4	(2.1)
Excess & Other Fees from Officers	(7.9)	0.0	(7.9)	0.0	(15.8)	(0.2)
Estate & Gifts	0.0	n/a	0.0	n/a	0.0	n/a
Institutional Revenues	2.1	0.0	2.1	0.0	4.2	(3.6)
Interest & Rents	66.5	(2.3)	73.0	9.8	139.5	12.4
Licenses & Permits	4.2	0.0	4.2	0.0	8.4	0.5
Miscellaneous Taxes and Penalties	234.8	1.4	240.2	2.3	475.0	1.3
Other Miscellaneous Revenues	32.5	(0.9)	32.5	0.0	65.0	3.3
Public Service GR / Consumption Tax	<u>98.0</u>	<u>0.0</u>	<u>98.0</u>	<u>0.0</u>	<u>196.0</u>	<u>1.5</u>
Total Misc. Taxes and Other Revenues	\$ 743.2	1.1 %	\$ 763.5	2.7 %	\$ 1,506.7	3.4 %
TOTAL GF REVENUES	\$ 20,096.5	4.0 %	\$ 20,892.3	4.0 %	\$ 40,988.8	7.8 %
TRANSFERS						
A.B.C. Profits	\$ 109.8	5.5 %	\$ 115.5	5.2 %	\$ 225.3	5.0 %
Sales Tax (0.375%)	386.7	2.0	395.2	2.2	781.9	5.0
Transfers Per Appropriations Act	<u>119.2</u>	<u>(14.6)</u>	<u>115.0</u>	<u>(3.5)</u>	<u>234.2</u>	<u>(26.0)</u>
Total Transfers	\$ 615.7	(1.1) %	\$ 625.7	1.6 %	\$ 1,241.4	(2.7) %
TOTAL GENERAL FUND	\$ 20,712.2	3.8 %	\$ 21,518.0	3.9 %	\$ 42,230.2	7.5 %

The Official forecast is based on the October 2016 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation and includes actions of the 2017 General Assembly Session -- Chapter 836.

The December forecast is based on the October 2017 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE and GACRE and contains the same policy assumptions in Chapter 836.

The December General Fund Forecast for Fiscal Years 2021-2024
(Dollars in Millions)

December 18, 2017

	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
MAJOR TAX SOURCES				
Corporate Income	\$ 943.7	\$ 960.0	\$ 982.8	\$ 1,007.8
Individual Income Tax:				
Gross	17,692.7	18,437.2	19,150.4	19,876.6
Withholding	13,821.1	14,347.7	14,884.9	15,432.2
Nonwithholding	3,871.6	4,089.5	4,265.5	4,444.4
Refunds	<u>(2,265.9)</u>	<u>(2,377.1)</u>	<u>(2,472.5)</u>	<u>(2,571.8)</u>
Net	15,426.8	16,060.1	16,677.9	17,304.8
Insurance Company Premiums	405.9	422.5	438.6	455.8
State Sales & Use Tax	3,700.8	3,777.9	3,852.5	3,929.7
Wills, Suits, Deeds, & Contract Fees	<u>407.2</u>	<u>407.2</u>	<u>407.2</u>	<u>407.2</u>
Total Major Tax Sources	\$ 20,884.4	\$ 21,627.7	\$ 22,359.0	\$ 23,105.3
MISCELLANEOUS TAXES AND OTHER REVENUES				
Alcoholic Beverage State Tax	\$ 205.9	\$ 205.9	\$ 205.9	\$ 205.9
Bank Franchise Tax	22.0	22.0	22.0	22.0
Beer & Beverage Excise Tax	42.3	42.3	42.3	42.3
Corporate Franchise & Charter Fees	51.2	51.2	51.2	51.2
Excess & Other Fees from Officers	(7.9)	(7.9)	(7.9)	(7.9)
Estate & Gifts	0.0	0.0	0.0	0.0
Institutional Revenues	2.1	2.1	2.1	2.1
Interest & Rents	73.0	73.0	73.0	73.0
Licenses & Permits	4.2	4.2	4.2	4.2
Miscellaneous Taxes and Penalties	240.6	240.6	240.6	240.6
Other Miscellaneous Revenues	32.5	32.5	32.5	32.5
Public Service GR / Consumption Tax	<u>98.0</u>	<u>98.0</u>	<u>98.0</u>	<u>98.0</u>
Total Misc. Taxes and Other Revenues	\$ 763.9	\$ 763.9	\$ 763.9	\$ 763.9
TOTAL GF REVENUES	\$ 21,648.3	\$ 22,391.6	\$ 23,122.9	\$ 23,869.2
TRANSFERS				
A.B.C. Profits	\$ 115.5	\$ 115.5	\$ 115.5	\$ 115.5
Sales Tax (0.375%)	404.6	412.7	421.0	429.4
Transfers Per Appropriations Act	<u>115.0</u>	<u>115.0</u>	<u>115.0</u>	<u>115.0</u>
Total Transfers	\$ 635.1	\$ 643.2	\$ 651.5	\$ 659.9
TOTAL GENERAL FUND	\$ <u>22,283.4</u>	\$ <u>23,034.8</u>	\$ <u>23,774.4</u>	\$ <u>24,529.1</u>
\$ Change From Previous Year	\$ 765.5	\$ 751.3	\$ 739.6	\$ 754.7
TOTAL BIENNIUM GENERAL FUND		\$ 45,318.2		\$ 48,303.5
\$ Change From Previous Biennium		\$ 3,088.0		\$ 2,985.3
% Growth From Previous Biennium		7.3		6.6 %

The December General Fund Forecast for Fiscal Years 2021-2024
(Dollars in Millions)

December 18, 2017

	FY 21 % Growth Over FY 20	FY 22 % Growth Over FY 21	FY 23 % Growth Over FY 22	FY 24 % Growth Over FY 23
MAJOR TAX SOURCES				
Corporate Income	1.9 %	1.7 %	2.4 %	2.5 %
Individual Income Tax:				
Gross	4.4	4.2	3.9	3.8
Withholding	3.9	3.8	3.7	3.7
Nonwithholding	6.6	5.6	4.3	4.2
Refunds	<u>5.2</u>	<u>4.9</u>	<u>4.0</u>	<u>4.0</u>
Net	4.3	4.1	3.8	3.8
Insurance Company Premiums	5.6	4.1	3.8	3.9
State Sales & Use Tax	2.1	2.1	2.0	2.0
Wills, Suits, Deeds, & Contract Fees	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Major Tax Sources	3.8 %	3.6 %	3.4 %	3.3 %
MISCELLANEOUS TAXES AND OTHER REVENUES				
Alcoholic Beverage State Tax	0.0 %	0.0 %	0.0 %	0.0 %
Bank Franchise Tax	0.0	0.0	0.0	0.0
Beer & Beverage Excise Tax	0.0	0.0	0.0	0.0
Corporate Franchise & Charter Fees	0.0	0.0	0.0	0.0
Excess & Other Fees from Officers	0.0	0.0	0.0	0.0
Estate & Gifts				
Institutional Revenues	0.0	0.0	0.0	0.0
Interest & Rents	0.0	0.0	0.0	0.0
Licenses & Permits	0.0	0.0	0.0	0.0
Miscellaneous Taxes and Penalties	0.2	0.0	0.0	0.0
Other Miscellaneous Revenues	0.0	0.0	0.0	0.0
Public Service GR / Consumption Tax	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Misc. Taxes and Other Revenues	0.1 %	0.0 %	0.0 %	0.0 %
TOTAL GF REVENUES	3.6 %	3.4 %	3.3 %	3.2 %
TRANSFERS				
A.B.C. Profits	0.0 %	0.0 %	0.0 %	0.0 %
Sales Tax (0.375%)	2.4	2.0	2.0	2.0
Transfers Per Appropriations Act	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Transfers	1.5 %	1.3 %	1.3 %	1.3 %
TOTAL GENERAL FUND	<u>3.6 %</u>	<u>3.4 %</u>	<u>3.2 %</u>	<u>3.2 %</u>

The Official and November Commonwealth Transportation Fund Forecast for Fiscal Year 2018
(Dollars in Millions)

November 1, 2017

	Fiscal Year 2017		Fiscal Year 2018				
	Actual	% Growth	Official Forecast	November Forecast	Change	% Growth over FY 17	
						Official	November
Highway Maintenance & Operating Fund							
Motor Fuels Tax	\$ 695.1	1.5 %	\$ 699.0	\$ 716.2	\$ 17.2	0.6 %	3.0 %
Road Tax	4.2	44.8	2.7	2.0	(0.7)	(35.7)	(52.4)
Motor Vehicle Sales And Use Tax	721.8	4.5	712.1	692.8	(19.3)	(1.3)	(4.0)
Motor Vehicle License Fees	237.9	2.6	233.5	236.6	3.1	(1.8)	(0.5)
Retail Sales and Use Tax	277.1	0.1	291.7	287.0	(4.7)	5.3	3.6
International Registration Plan	66.2	(2.2)	64.0	64.4	0.4	(3.3)	(2.7)
Miscellaneous	18.4	0.0	17.3	17.2	(0.1)	(6.0)	(6.5)
Total State Taxes and Fees	\$ 2,020.7	1.6 %	\$ 2,020.3	\$ 2,016.2	\$ (4.1)	(0.0) %	(0.2) %
Transportation Trust Fund							
Motor Fuels Tax	\$ 162.8	(0.4) %	\$ 166.0	\$ 170.1	\$ 4.1	2.0 %	4.5 %
Insurance Premiums Tax (1/3)	163.1	8.5	169.1	168.0	(1.1)	3.7	3.0
Road Tax	8.1	1.3	8.0	8.5	0.5	(1.2)	4.9
Motor Vehicle Sales And Use Tax	235.9	3.5	235.2	229.6	(5.6)	(0.3)	(2.7)
Motor Vehicle License Fees	22.2	2.8	21.9	22.6	0.7	(1.4)	1.8
Retail Sales and Use Tax	743.3	2.7	753.5	760.0	6.5	1.4	2.2
Recordation Tax	48.1	63.1	48.4	48.3	(0.1)	0.5	0.4
Interest Earnings	6.4	73.0	2.3	3.3	1.0	(64.1)	(48.4)
Rental Tax	39.5	5.3	39.6	40.9	1.3	0.3	3.5
Aviation Fuels Tax	2.0	11.1	1.8	1.9	0.1	(10.0)	(5.0)
Total State Taxes and Fees	\$ 1,431.4	4.7 %	\$ 1,445.8	\$ 1,453.2	\$ 7.4	1.0 %	1.5 %
Total HMOF And TTF							
Motor Fuels Tax	\$ 857.9	1.1 %	\$ 865.0	\$ 886.3	\$ 21.3	0.8 %	3.3 %
Insurance Premiums Tax (1/3)	163.1	8.5	169.1	168.0	(1.1)	3.7	3.0
Road Tax	12.3	12.8	10.7	10.5	(0.2)	(13.0)	(14.6)
Motor Vehicle Sales and Use Tax	957.7	4.2	947.3	922.4	(24.9)	(1.1)	(3.7)
Motor Vehicle License Fees	260.1	2.6	255.4	259.2	3.8	(1.8)	(0.3)
International Registration Plan	66.2	(2.2)	64.0	64.4	0.4	(3.3)	(2.7)
Retail Sales and Use Tax	1,020.4	2.0	1,045.2	1,047.0	1.8	2.4	2.6
Recordation Tax (3 cents)	48.1	8.8	48.4	48.3	(0.1)	0.5	0.4
Interest Earnings	6.4	73.0	2.3	3.3	1.0	(64.1)	(48.4)
Rental Tax	39.5	5.3	39.6	40.9	1.3	0.3	3.5
Aviation Fuels Tax	2.0	11.1	1.8	1.9	0.1	(10.0)	(5.0)
Miscellaneous	18.4	0.0	17.3	17.2	(0.1)	(6.0)	(6.5)
Total State Taxes and Fees	\$ 3,452.2	2.9 %	\$ 3,466.1	\$ 3,469.4	\$ 3.3	0.4 %	0.5 %
Transfers per the Appropriations Act							
Retail Sales Tax - AST (TTF)	0.0	n/a	0.0	0.0	0.0	n/a	n/a
Total Transfers	\$ 0.0	n/a	\$ 0.0	\$ 0.0	\$ 0.0	n/a	n/a %
Total Transportation Fund	\$ 3,452.2	2.9	\$ 3,466.1	\$ 3,469.4	\$ 3.3	0.4 %	0.5 %

The Official forecast is based on the October 2016 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

The October forecast is based on the October 2017 IHS Markit Standard outlook and the corresponding Virginia state forecast developed

The Official and November Commonwealth Transportation Fund Forecast for Fiscal Year 2019
(Dollars in Millions)

November 1, 2017

	Fiscal Year 2019				
	Official Forecast	November Forecast	Change	% Growth over FY 18	
				Official	November
Highway Maintenance & Operating Fund					
Motor Fuels Tax	\$ 705.9	\$ 724.4	\$ 18.5	1.0 %	1.1 %
Road Tax	2.7	1.7	(1.0)	0.0	(15.0)
Motor Vehicle Sales And Use Tax	725.5	715.7	(9.8)	1.9	3.3
Motor Vehicle License Fees	233.5	236.7	3.2	0.0	0.0
Retail Sales and Use Tax	297.7	292.7	(5.0)	2.1	2.0
International Registration Plan	65.2	64.2	(1.0)	1.9	(0.3)
Miscellaneous	17.3	17.2	(0.1)	0.0	0.0
Total State Taxes and Fees (HMOF)	\$ 2,047.8	\$ 2,052.6	\$ 4.8	1.4 %	1.8 %
Transportation Trust Fund					
Motor Fuels Tax	\$ 167.6	\$ 172.1	\$ 4.5	1.0 %	1.2 %
Insurance Premiums Tax (1/3)	174.7	176.7	2.0	3.3	5.2
Road Tax	8.0	8.6	0.6	0.0	1.2
Motor Vehicle Sales And Use Tax	239.5	236.9	(2.6)	1.8	3.2
Motor Vehicle License Fees	22.0	22.5	0.5	0.5	(0.4)
Retail Sales and Use Tax	767.3	775.1	7.8	1.8	2.0
Recordation Tax	45.7	48.3	2.6	(5.5)	0.0
Interest Earnings	2.3	4.2	1.9	0.0	27.3
Rental Tax	41.2	42.4	1.2	4.0	3.7
Aviation Fuels Tax	1.9	1.9	0.0	5.6	0.0
Total State Taxes and Fees (TTF)	\$ 1,470.2	\$ 1,488.7	\$ 18.5	1.7 %	2.4 %
Total HMOF And TTF					
Motor Fuels Tax	\$ 873.5	\$ 896.5	\$ 23.0	1.0 %	1.2 %
Insurance Premiums Tax (1/3)	174.7	176.7	2.0	3.3	5.2
Road Tax	10.7	10.3	(0.4)	0.0	(1.9)
Motor Vehicle Sales and Use Tax	965.0	952.6	(12.4)	1.9	3.3
Motor Vehicle License Fees	255.5	259.2	3.7	0.0	0.0
International Registration Plan	65.2	64.2	(1.0)	1.9	(0.3)
Retail Sales and Use Tax	1,065.0	1,067.8	2.8	1.9	2.0
Recordation Tax (3 cents)	45.7	48.3	2.6	(5.5)	0.0
Interest Earnings	2.3	4.2	1.9	0.0	27.3
Rental Tax	41.2	42.4	1.2	4.0	3.7
Aviation Fuels Tax	1.9	1.9	0.0	5.6	0.0
Miscellaneous	17.3	17.2	(0.1)	0.0	0.0
Total State Taxes and Fees	\$ 3,518.0	\$ 3,541.3	\$ 23.3	1.5 %	2.1 %
Transfers per the Appropriations Act					
Retail Sales Tax - AST (TTF)	0.0	0.0	0.0	n/a	n/a
Total Transfers	\$ 0.0	\$ 0.0	\$ 0.0	n/a %	n/a %
Total Transportation Fund	\$ 3,518.0	\$ 3,541.3	\$ 23.3	1.5 %	2.1 %

The Official forecast is based on the October 2016 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

The October forecast is based on the October 2017 IHS Markit Standard outlook and the corresponding Virginia state forecast developed

The Official and November Commonwealth Transportation Fund Forecast for Fiscal Year 2020
(Dollars in Millions)

November 1, 2017

	Fiscal Year 2020				
	Official	November	Change	% Growth over FY 19	
	Forecast	Forecast		Official	November
Highway Maintenance & Operating Fund					
Motor Fuels Tax	\$ 710.6	\$ 730.1	\$ 19.5	0.7 %	0.8 %
Road Tax	2.7	1.4	(1.3)	0.0	(17.6)
Motor Vehicle Sales And Use Tax	730.7	723.2	(7.5)	0.7	1.0
Motor Vehicle License Fees	233.9	239.1	5.2	0.2	1.0
Retail Sales and Use Tax	304.0	299.2	(4.8)	0.2	2.2
International Registration Plan	65.6	65.0	(0.6)	0.6	1.2
Miscellaneous	17.3	17.2	(0.1)	0.0	0.0
Total State Taxes and Fees (HMOF)	\$ 2,064.8	\$ 2,075.2	\$ 10.4	0.8 %	1.1 %
Transportation Trust Fund					
Motor Fuels Tax	\$ 168.7	\$ 173.4	\$ 4.7	0.7 %	0.8 %
Insurance Premiums Tax (1/3)	183.3	184.4	1.1	4.9	4.4
Road Tax	8.0	8.6	0.6	0.0	0.0
Motor Vehicle Sales And Use Tax	241.1	239.3	(1.8)	0.7	1.0
Motor Vehicle License Fees	22.0	22.9	0.9	0.0	1.8
Retail Sales and Use Tax	783.3	792.2	8.9	2.1	2.2
Recordation Tax	43.1	48.3	5.2	(5.8)	0.0
Interest Earnings	2.3	4.5	2.2	0.0	7.1
Rental Tax	42.9	43.2	0.3	4.1	1.9
Aviation Fuels Tax	2.0	1.9	(0.1)	5.3	0.0
Total State Taxes and Fees (TTF)	\$ 1,496.7	\$ 1,518.7	\$ 22.0	1.8 %	2.0 %
Total HMOF And TTF					
Motor Fuels Tax	\$ 879.3	\$ 903.5	\$ 24.2	0.7 %	0.8 %
Insurance Premiums Tax (1/3)	183.3	184.4	1.1	4.9	4.4
Road Tax	10.7	10.0	(0.7)	0.0	(2.9)
Motor Vehicle Sales and Use Tax	971.8	962.5	(9.3)	0.7	1.0
Motor Vehicle License Fees	255.9	262.0	6.1	0.2	1.1
International Registration Plan	65.6	65.0	(0.6)	0.6	1.2
Retail Sales and Use Tax	1,087.3	1,091.4	4.1	2.1	2.2
Recordation Tax (3 cents)	43.1	48.3	5.2	(5.8)	0.0
Interest Earnings	2.3	4.5	2.2	0.0	7.1
Rental Tax	42.9	43.2	0.3	4.1	1.9
Aviation Fuels Tax	2.0	1.9	(0.1)	5.3	0.0
Miscellaneous	17.3	17.2	(0.1)	0.0	0.0
Total State Taxes and Fees	\$ 3,561.5	\$ 3,593.9	\$ 32.4	1.2 %	1.5 %
0					
Retail Sales Tax - AST (TTF)	0.0	0.0	0.0	n/a	n/a
Total Transfers	\$ 0.0	\$ 0.0	\$ 0.0	n/a %	n/a %
Total Transportation Fund	\$ 3,561.5	\$ 3,593.9	\$ 32.4	1.2 %	1.5 %

The Official forecast is based on the October 2016 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

The October forecast is based on the October 2017 IHS Markit Standard outlook and the corresponding Virginia state forecast developed

**The November Commonwealth Transportation Fund Forecast for Fiscal Years 2021 through 2024
(Dollars in Millions)**

November 1, 2017

	Fiscal Years 2021 through 2024								
	FY 21	%	FY 22	%	FY 23	%	FY 24	%	
	Forecast	Growth	Forecast	Growth	Forecast	Growth	Forecast	Growth	
Highway Maintenance & Operating Fund									
Motor Fuels Tax	\$ 735.6	0.8	\$ 740.7	0.7	\$ 745.6	0.7	\$ 748.9	0.4	
Road Tax	0.9	(35.7)	0.9	0.0	0.9	0.0	0.9	0.0	
Motor Vehicle Sales And Use Tax	737.6	2.0	737.3	(0.0)	729.6	(1.0)	737.0	1.0	
Motor Vehicle License Fees	239.3	0.1	239.3	0.0	239.3	0.0	239.3	0.0	
Retail Sales and Use Tax	305.9	2.2	312.4	2.1	318.5	2.0	325.0	2.0	
International Registration Plan	65.4	0.6	65.3	(0.2)	65.7	0.6	66.0	0.5	
Miscellaneous	17.2	0.0	17.2	0.0	17.2	0.0	17.2	0.0	
Total State Taxes and Fees (HMOF)	\$ 2,101.9	1.3	\$ 2,113.1	0.5%	\$ 2,116.8	0.2%	\$ 2,134.3	0.8%	
Transportation Trust Fund									
Motor Fuels Tax	174.7	0.7	175.9	0.7	177.0	0.6	177.8	0.5	
Insurance Premiums Tax (1/3)	189.7	2.9	198.5	4.6	207.0	4.3	215.2	4.0	
Road Tax	8.6	0.0	8.7	1.2	8.7	0.0	8.7	0.0	
Motor Vehicle Sales And Use Tax	243.9	1.9	243.7	(0.1)	241.3	(1.0)	243.6	1.0	
Motor Vehicle License Fees	22.9	0.0	22.9	0.0	22.9	0.0	22.9	0.0	
Retail Sales and Use Tax	810.0	2.2	826.9	2.1	843.4	2.0	860.4	2.0	
Recordation Tax	48.3	0.0	48.3	0.0	48.3	0.0	48.3	0.0	
Interest Earnings	4.5	0.0	4.5	0.0	4.5	0.0	4.5	0.0	
Rental Tax	44.0	1.9	44.0	0.0	44.0	0.0	44.0	0.0	
Aviation Fuels Tax	2.0	5.3	2.0	0.0	2.0	0.0	2.0	0.0	
Total State Taxes and Fees (TTF)	\$ 1,548.6	2.0	\$ 1,575.4	1.7%	\$ 1,599.1	1.5%	\$ 1,627.4	1.8%	
Total HMOF And TTF									
Motor Fuels Tax	910.3	0.8	916.6	0.7	922.6	0.7	926.7	0.4	
Insurance Premiums Tax (1/3)	189.7	2.9	198.5	4.6	207.0	4.3	215.2	4.0	
Road Tax	9.5	(5.0)	9.6	1.1	9.6	0.0	9.6	0.0	
Motor Vehicle Sales and Use Tax	981.5	2.0	981.0	(0.1)	970.9	(1.0)	980.6	1.0	
Motor Vehicle License Fees	262.2	0.1	262.2	0.0	262.2	0.0	262.2	0.0	
International Registration Plan	65.4	0.6	65.3	(0.2)	65.7	0.6	66.0	0.5	
Retail Sales and Use Tax	1,115.9	2.2	1,139.3	2.1	1,161.9	2.0	1,185.4	2.0	
Recordation Tax (3 cents)	48.3	0.0	48.3	0.0	48.3	0.0	48.3	0.0	
Interest Earnings	4.5	0.0	4.5	0.0	4.5	0.0	4.5	0.0	
Rental Tax	44.0	1.9	44.0	0.0	44.0	0.0	44.0	0.0	
Aviation Fuels Tax	2.0	5.3	2.0	0.0	2.0	0.0	2.0	0.0	
Miscellaneous	17.2	0.0	17.2	0.0	17.2	0.0	17.2	0.0	
Total State Taxes and Fees	\$ 3,650.5	1.6	\$ 3,688.5	1.0%	\$ 3,715.9	0.7%	\$ 3,761.7	1.2%	
Transfers per the Appropriations Act									
Retail Sales Tax - AST (TTF)	0.0	n/a	0.0	n/a	0.0	n/a	0.0	n/a	
Total Transfers	\$ -	n/a	\$ -	n/a	\$ -	n/a	\$ -	n/a	
Total Transportation Fund	\$ 3,650.5	1.6	\$ 3,688.5	1.0%	\$ 3,715.9	0.7%	\$ 3,761.7	1.2%	

The Official forecast is based on the October 2016 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation.

The October forecast is based on the October 2017 IHS Markit Standard outlook and the corresponding Virginia state forecast developed

Virginia Health Care Fund Forecast

\$ in millions

December 12, 2017

	Actual											
	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Master Settlement Agreement	74.0	48.9	48.5	47.7	48.0	48.0	48.0	48.0	48.0	48.0	48.0	48.0
Tobacco Taxes:												
Total Cigarette Taxes	169.5	161.6	159.9	159.3	151.1	146.6	145.1	143.7	143.7	143.7	143.7	143.7
Other Tobacco Products	<u>18.7</u>	<u>19.1</u>	<u>19.1</u>	<u>19.5</u>	<u>20.1</u>	<u>20.7</u>	<u>21.3</u>	<u>22.0</u>	<u>22.6</u>	<u>23.3</u>	<u>24.0</u>	<u>24.7</u>
Total Tobacco Taxes	188.2	180.7	179.0	178.7	171.2	167.3	166.4	165.6	166.3	167.0	167.7	168.4
Medicaid Recoveries:												
Regular Recoveries	70.6	58.8	49.0	78.8	54.3	54.3	54.3	54.3	54.3	54.3	54.3	54.3
Pharmacy Rebates (Prior Year)	<u>100.7</u>	<u>76.3</u>	<u>70.5</u>	<u>106.1</u>	<u>84.0</u>	<u>102.0</u>	<u>102.7</u>	<u>97.7</u>	<u>97.7</u>	<u>97.7</u>	<u>97.7</u>	<u>97.7</u>
Total Recoveries	171.3	135.1	119.5	184.9	138.3	156.3	157.0	152.0	152.0	152.0	152.0	152.0
Provider Assessment						0.0	80.8	226.1	273.2	282.2	296.3	311.1
TOTAL FUND	433.5	364.7	347.0	411.3	357.5	371.6	452.2	591.7	639.5	649.2	664.0	679.5

NOTES:

*The FY 2018 amounts do not reflect a \$28.1 million FY 2017 year end cash balance that is appropriated in the bill.

*Includes revenue that will be deposited into the Fund from a provider assessment on acute care hospitals to pay for the cost of expanding Medicaid October 1, 2018.

(Presented to the Governor's Council on Revenue Estimates)
The Official to November Standard General Fund Forecast for Fiscal Year 2018
(Dollars in Millions)

November 17, 2017

	Fiscal Year 2018					2016-2018 Biennium		
	Official Forecast	November Forecast	Change	% Growth Over FY 17 Official	% Growth Over FY 17 November	Official Forecast	November Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 840.6	\$ 913.7	\$ 73.1	5.8 %	10.5 %	\$ 1,634.8	\$ 1,740.7	\$ 105.9
Individual Income Tax:								
Gross	15,333.6	15,477.6	144.0	3.9	3.8	30,095.4	30,391.5	296.1
Withholding	12,103.9	12,320.5	216.6	3.3	3.6	23,817.2	24,215.9	398.7
Nonwithholding	3,229.7	3,157.1	(72.6)	5.9	4.6	6,278.2	6,175.6	(102.6)
Refunds	<u>(1,943.6)</u>	<u>(1,968.7)</u>	<u>(25.1)</u>	<u>5.2</u>	<u>5.8</u>	<u>(3,791.6)</u>	<u>(3,829.7)</u>	<u>(38.1)</u>
Net	13,390.0	13,508.9	118.9	3.7	3.5	26,303.8	26,561.8	258.0
Insurance Company Premiums	364.8	362.1	(2.7)	6.0	6.2	708.9	703.0	(5.9)
State Sales & Use Tax	3,450.6	3,458.6	8.0	1.9	3.0	6,837.4	6,815.7	(21.7)
Wills, Suits, Deeds, & Contract Fees	<u>407.9</u>	<u>407.2</u>	<u>(0.7)</u>	<u>2.3</u>	<u>3.3</u>	<u>806.5</u>	<u>801.6</u>	<u>(4.9)</u>
Total Major Tax Sources	\$ 18,453.9	\$ 18,650.5	\$ 196.6	3.5 %	3.8 %	\$ 36,291.4	\$ 36,622.7	\$ 331.3
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 191.4	\$ 189.7	\$ (1.7)	4.5 %	5.0 %	\$ 374.6	\$ 370.4	\$ (4.2)
Bank Franchise Tax	18.4	22.0	3.6	0.0	(0.2)	36.8	44.0	7.2
Beer & Beverage Excise Tax	42.3	42.3	0.0	0.0	1.5	84.6	84.0	(0.6)
Corporate Franchise & Charter Fees	50.0	51.2	1.2	0.0	(4.0)	100.0	104.6	4.6
Excess & Other Fees from Officers	(7.1)	(7.9)	(0.8)	0.0	0.4	(14.2)	(15.8)	(1.6)
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.0	8.2	n/a
Institutional Revenues	6.0	2.1	(3.9)	0.0	(7.0)	12.0	4.4	(7.6)
Interest & Rents	61.8	61.6	(0.2)	0.0	10.0	123.6	117.6	(6.0)
Licenses & Permits	4.1	4.2	0.1	0.0	0.9	8.2	8.4	0.2
Miscellaneous Taxes and Penalties	237.8	231.5	(6.3)	3.4	(2.4)	467.8	468.8	1.0
Other Miscellaneous Revenues	36.9	32.8	(4.1)	(0.3)	9.0	73.9	62.9	(11.0)
Public Service GR / Consumption Tax	<u>97.8</u>	<u>98.0</u>	<u>0.2</u>	<u>0.0</u>	<u>3.1</u>	<u>195.6</u>	<u>193.1</u>	<u>(2.5)</u>
Total Misc. Taxes and Other Revenues	\$ 739.4	\$ 727.5	\$ (11.9)	2.2 %	0.6 %	\$ 1,462.9	\$ 1,450.4	\$ (12.5)
TOTAL GF REVENUES	\$ 19,193.3	\$ 19,378.0	\$ 184.7	3.4 %	3.7 %	\$ 37,754.3	\$ 38,073.1	\$ 318.8
TRANSFERS								
A.B.C. Profits	\$ 103.0	\$ 104.1	\$ 1.1	(5.0) %	(5.8) %	\$ 211.4	\$ 214.6	\$ 3.2
Sales Tax (0.375%)	374.3	379.1	4.8	2.4	3.6	739.7	745.0	5.3
Transfers Per Appropriations Act	<u>163.5</u>	<u>163.5</u>	<u>0.0</u>	<u>(7.6)</u>	<u>(7.6)</u>	<u>340.5</u>	<u>340.4</u>	<u>(0.1)</u>
Total Transfers	\$ 640.8	\$ 646.7	\$ 5.9	(1.5) %	(1.0) %	\$ 1,291.6	\$ 1,300.0	\$ 8.4
TOTAL GENERAL FUND	\$ 19,834.1	\$ 20,024.7	\$ 190.6	3.2 %	3.5 %	\$ 39,045.9	\$ 39,373.1	\$ 327.2

The Official forecast is based on the October 2016 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation and includes actions of the 2017 General Assembly Session -- Chapter 836.

The November forecast is based on the October 2017 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE and contains the same policy assumptions in Chapter 836.

(Presented to the Governor's Council on Revenue Estimates)
The November Standard General Fund Forecast for Fiscal Years 2019-2020
(Dollars in Millions)

November 20, 2017

	Fiscal Year 2019		Fiscal Year 2020		2018-2020 Biennium	
	November Forecast	% Growth Over FY 18	November Forecast	% Growth Over FY 19	November Forecast	% Growth Over 16-18
MAJOR TAX SOURCES						
Corporate Income	\$ 912.0	(0.2) %	\$ 926.4	1.6 %	\$ 1,838.4	5.6 %
Individual Income Tax:						
Gross	16,167.1	4.5	16,928.9	4.7	33,096.0	8.9
Withholding	12,810.2	4.0	13,308.5	3.9	26,118.7	7.9
Nonwithholding	3,356.9	6.3	3,620.4	7.8	6,977.3	13.0
Refunds	<u>(2,061.6)</u>	<u>4.7</u>	<u>(2,154.2)</u>	<u>4.5</u>	<u>(4,215.8)</u>	<u>10.1</u>
Net	14,105.5	4.4	14,774.7	4.7	28,880.2	8.7
Insurance Company Premiums	376.6	4.0	384.6	2.1	761.2	8.3
State Sales & Use Tax	3,547.1	2.6	3,625.0	2.2	7,172.1	5.2
Wills, Suits, Deeds, & Contract Fees	<u>407.2</u>	<u>0.0</u>	<u>407.2</u>	<u>0.0</u>	<u>814.4</u>	<u>1.6</u>
Total Major Tax Sources	\$ 19,348.4	3.7 %	\$ 20,117.9	4.0 %	\$ 39,466.3	7.8 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 197.5	4.1 %	\$ 205.9	4.3 %	\$ 403.4	8.9 %
Bank Franchise Tax	22.0	0.0	22.0	0.0	44.0	(0.1)
Beer & Beverage Excise Tax	42.3	0.0	42.3	0.0	84.6	0.7
Corporate Franchise & Charter Fees	51.2	0.0	51.2	0.0	102.4	(2.1)
Excess & Other Fees from Officers	(7.9)	0.0	(7.9)	0.0	(15.8)	(0.2)
Estate & Gifts	0.0	n/a	0.0	n/a	0.0	n/a
Institutional Revenues	2.1	0.0	2.1	0.0	4.2	(3.6)
Interest & Rents	66.5	8.0	73.0	9.8	139.5	18.6
Licenses & Permits	4.2	0.0	4.2	0.0	8.4	0.5
Miscellaneous Taxes and Penalties	234.8	1.4	240.2	2.3	475.0	1.3
Other Miscellaneous Revenues	32.5	(0.9)	32.5	0.0	65.0	3.3
Public Service GR / Consumption Tax	<u>98.0</u>	<u>0.0</u>	<u>98.0</u>	<u>0.0</u>	<u>196.0</u>	<u>1.5</u>
Total Misc. Taxes and Other Revenues	\$ 743.2	2.2 %	\$ 763.5	2.7 %	\$ 1,506.7	3.9 %
TOTAL GF REVENUES	\$ 20,091.6	3.7 %	\$ 20,881.4	3.9 %	\$ 40,973.0	7.6 %
TRANSFERS						
A.B.C. Profits	\$ 109.8	5.5 %	\$ 115.5	5.2 %	\$ 225.3	5.0 %
Sales Tax (0.375%)	386.7	2.0	395.2	2.2	781.9	5.0
Transfers Per Appropriations Act	<u>110.5</u>	<u>(32.4)</u>	<u>110.5</u>	<u>0.0</u>	<u>221.0</u>	<u>(35.1)</u>
Total Transfers	\$ 607.0	(6.1) %	\$ 621.2	2.3 %	\$ 1,228.2	(5.5) %
TOTAL GENERAL FUND	\$ 20,698.6	3.4 %	\$ 21,502.6	3.9 %	\$ 42,201.2	7.2 %

The Official forecast is based on the October 2016 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation and includes actions of the 2017 General Assembly Session -- Chapter 836.

The November forecast is based on the October 2017 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE and contains the same policy assumptions in Chapter 836.

(Presented to the Governor's Council on Revenue Estimates)
The Official to November Pessimistic General Fund Forecast for Fiscal Year 2018
(Dollars in Millions)

November 17, 2017

	Fiscal Year 2018					2016-2018 Biennium		
	Official Forecast	Nov Pess Forecast	Change	% Growth Over FY 17 Official	% Growth Over FY 17 Nov Pess	Official Forecast	Nov Pess Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 840.6	\$ 903.6	\$ 63.0	5.8 %	9.3 %	\$ 1,634.8	\$ 1,730.6	\$ 95.8
Individual Income Tax:								
Gross	15,333.6	15,386.2	52.6	3.9	3.2	30,095.4	30,300.1	204.7
Withholding	12,103.9	12,310.2	206.3	3.3	3.5	23,817.2	24,205.6	388.4
Nonwithholding	3,229.7	3,076.0	(153.7)	5.9	1.9	6,278.2	6,094.5	(183.7)
Refunds	<u>(1,943.6)</u>	<u>(1,968.7)</u>	<u>(25.1)</u>	<u>5.2</u>	<u>5.8</u>	<u>(3,791.6)</u>	<u>(3,829.7)</u>	<u>(38.1)</u>
Net	13,390.0	13,417.5	27.5	3.7	2.8	26,303.8	26,470.4	166.6
Insurance Company Premiums	364.8	362.1	(2.7)	6.0	6.2	708.9	703.0	(5.9)
State Sales & Use Tax	3,450.6	3,454.7	4.1	1.9	2.9	6,837.4	6,811.8	(25.6)
Wills, Suits, Deeds, & Contract Fees	<u>407.9</u>	<u>407.2</u>	<u>(0.7)</u>	<u>2.3</u>	<u>3.3</u>	<u>806.5</u>	<u>801.6</u>	<u>(4.9)</u>
Total Major Tax Sources	\$ 18,453.9	\$ 18,545.1	\$ 91.2	3.5 %	3.2 %	\$ 36,291.4	\$ 36,517.3	\$ 225.9
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 191.4	\$ 189.7	\$ (1.7)	4.5 %	5.0 %	\$ 374.6	\$ 370.4	\$ (4.2)
Bank Franchise Tax	18.4	22.0	3.6	0.0	(0.2)	36.8	44.0	7.2
Beer & Beverage Excise Tax	42.3	42.3	0.0	0.0	1.5	84.6	84.0	(0.6)
Corporate Franchise & Charter Fees	50.0	51.2	1.2	0.0	(4.0)	100.0	104.6	4.6
Excess & Other Fees from Officers	(7.1)	(7.9)	(0.8)	0.0	0.4	(14.2)	(15.8)	(1.6)
Estate & Gifts	0.0	0.0	0.0	n/a	n/a	0.0	8.2	n/a
Institutional Revenues	6.0	2.1	(3.9)	0.0	(7.0)	12.0	4.4	(7.6)
Interest & Rents	61.8	61.6	(0.2)	0.0	10.0	123.6	117.6	(6.0)
Licenses & Permits	4.1	4.2	0.1	0.0	0.9	8.2	8.4	0.2
Miscellaneous Taxes and Penalties	237.8	231.5	(6.3)	3.4	(2.4)	467.8	468.8	1.0
Other Miscellaneous Revenues	36.9	32.8	(4.1)	(0.3)	9.0	73.9	62.9	(11.0)
Public Service GR / Consumption Tax	<u>97.8</u>	<u>98.0</u>	<u>0.2</u>	<u>0.0</u>	<u>3.1</u>	<u>195.6</u>	<u>193.1</u>	<u>(2.5)</u>
Total Misc. Taxes and Other Revenues	\$ 739.4	\$ 727.5	\$ (11.9)	2.2 %	0.6 %	\$ 1,462.9	\$ 1,450.4	\$ (12.5)
TOTAL GF REVENUES	\$ 19,193.3	\$ 19,272.6	\$ 79.3	3.4 %	3.1 %	\$ 37,754.3	\$ 37,967.7	\$ 213.4
TRANSFERS								
A.B.C. Profits	\$ 103.0	\$ 104.1	\$ 1.1	(5.0) %	(5.8) %	\$ 211.4	\$ 214.6	\$ 3.2
Sales Tax (0.375%)	374.3	379.1	4.8	2.4	3.6	739.7	745.0	5.3
Transfers Per Appropriations Act	<u>163.5</u>	<u>163.5</u>	<u>0.0</u>	<u>(7.6)</u>	<u>(7.6)</u>	<u>340.5</u>	<u>340.4</u>	<u>(0.1)</u>
Total Transfers	\$ 640.8	\$ 646.7	\$ 5.9	(1.5) %	(1.0) %	\$ 1,291.6	\$ 1,300.0	\$ 8.4
TOTAL GENERAL FUND	\$ 19,834.1	\$ 19,919.3	\$ 85.2	3.2 %	3.0 %	\$ 39,045.9	\$ 39,267.7	\$ 221.8

The Official forecast is based on the October 2016 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation and includes actions of the 2017 General Assembly Session -- Chapter 836.

The November Pessimistic forecast is based on the October 2017 IHS Markit Pessimistic Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE and contains the same policy assumptions in Chapter 836.

(Presented to the Governor's Council on Revenue Estimates)
The November Pessimistic General Fund Forecast for Fiscal Years 2019-2020
(Dollars in Millions)

November 20, 2017

	Fiscal Year 2019		Fiscal Year 2020		2018-2020 Biennium	
	Nov Pess Forecast	% Growth Over FY 18	Nov Pess Forecast	% Growth Over FY 19	Nov Pess Forecast	% Growth Over 16-18
MAJOR TAX SOURCES						
Corporate Income	\$ 893.2	(1.2) %	\$ 960.8	7.6 %	\$ 1,854.0	7.1 %
Individual Income Tax:						
Gross	15,877.6	3.2	16,423.6	3.4	32,301.2	6.6
Withholding	12,735.4	3.5	13,182.7	3.5	25,918.1	7.1
Nonwithholding	3,142.2	2.2	3,240.9	3.1	6,383.1	4.7
Refunds	<u>(2,061.6)</u>	<u>4.7</u>	<u>(2,154.2)</u>	<u>4.5</u>	<u>(4,215.8)</u>	<u>10.1</u>
Net	13,816.0	3.0	14,269.4	3.3	28,085.4	6.1
Insurance Company Premiums	367.7	1.5	374.7	1.9	742.4	5.6
State Sales & Use Tax	3,518.1	1.8	3,583.2	1.9	7,101.3	4.3
Wills, Suits, Deeds, & Contract Fees	<u>358.3</u>	<u>(12.0)</u>	<u>358.3</u>	<u>0.0</u>	<u>716.7</u>	<u>(10.6)</u>
Total Major Tax Sources	\$ 18,953.3	2.2 %	\$ 19,546.5	3.1 %	\$ 38,499.8	5.4 %
MISCELLANEOUS TAXES AND OTHER REVENUES						
Alcoholic Beverage State Tax	\$ 197.5	4.1 %	\$ 205.9	4.3 %	\$ 403.4	8.9 %
Bank Franchise Tax	22.0	0.0	22.0	0.0	44.0	(0.1)
Beer & Beverage Excise Tax	42.3	0.0	42.3	0.0	84.6	0.7
Corporate Franchise & Charter Fees	51.2	0.0	51.2	0.0	102.4	(2.1)
Excess & Other Fees from Officers	(7.9)	0.0	(7.9)	0.0	(15.8)	(0.2)
Estate & Gifts	0.0	n/a	0.0	n/a	0.0	n/a
Institutional Revenues	2.1	0.0	2.1	0.0	4.2	(3.6)
Interest & Rents	66.5	8.0	73.0	9.8	139.5	18.6
Licenses & Permits	4.2	0.0	4.2	0.0	8.4	0.5
Miscellaneous Taxes and Penalties	234.8	1.4	240.2	2.3	475.0	1.3
Other Miscellaneous Revenues	32.5	(0.9)	32.5	0.0	65.0	3.3
Public Service GR / Consumption Tax	<u>98.0</u>	<u>0.0</u>	<u>98.0</u>	<u>0.0</u>	<u>196.0</u>	<u>1.5</u>
Total Misc. Taxes and Other Revenues	\$ 743.2	2.2 %	\$ 763.5	2.7 %	\$ 1,506.7	3.9 %
TOTAL GF REVENUES	\$ 19,696.5	2.2 %	\$ 20,310.0	3.1 %	\$ 40,006.5	5.4 %
TRANSFERS						
A.B.C. Profits	\$ 109.8	5.5 %	\$ 115.5	5.2 %	\$ 225.3	5.0 %
Sales Tax (0.375%)	386.7	2.0	395.2	2.2	781.9	5.0
Transfers Per Appropriations Act	<u>110.5</u>	<u>(32.4)</u>	<u>110.5</u>	<u>0.0</u>	<u>221.0</u>	<u>(35.1)</u>
Total Transfers	\$ 607.0	(6.1) %	\$ 621.2	2.3 %	\$ 1,228.2	(5.5) %
TOTAL GENERAL FUND	\$ 20,303.5	1.9 %	\$ 20,931.2	3.1 %	\$ 41,234.7	5.0 %

The Official forecast is based on the October 2016 IHS Markit Standard Outlook and the corresponding Virginia state forecast developed by the Department of Taxation and includes actions of the 2017 General Assembly Session -- Chapter 836.

The November Pessimistic forecast is based on the October 2017 IHS Markit Pessimistic Outlook and the corresponding Virginia state forecast developed by the Department of Taxation with recommendations from JABE and contains the same policy assumptions in Chapter 836.

Growth in Total General Fund Revenues

Fiscal Year 1961 - Fiscal Year 2020

(Nominal - Actual Dollars)

<u>FY</u>	<u>Total Revenues</u>	<u>Growth</u>	<u>FY</u>	<u>Total Revenues</u>	<u>Growth</u>
61	230,998,887	-	91	5,471,879,000	-0.4%
62	242,144,567	4.8%	92	5,623,213,000	2.8%
63	286,304,265	18.2%	93	6,133,637,000	9.1%
64	298,033,919	4.1%	94	6,503,368,000	6.0%
65	323,213,412	8.4%	95	6,881,145,000	5.8%
66	365,129,776	13.0%	96	7,356,110,000	6.9%
67	414,755,644	13.6%	97	7,949,327,000	8.1%
68	533,597,744	28.7%	98	8,773,520,000	10.4%
69	706,254,374	32.4%	99	9,702,747,000	10.6%
70	743,721,322	5.3%	00	10,788,482,000	11.2%
71	807,954,651	8.6%	01	11,105,275,000	2.9%
72	922,653,686	14.2%	02	10,678,954,000	-3.8%
73	1,054,469,443	14.3%	03	10,867,149,000	1.8%
74	1,168,562,871	10.8%	04	11,917,867,000	9.7%
75	1,303,178,893	11.5%	05	13,687,252,000	14.8%
76	1,428,421,157	9.6%	06	14,834,298,000	8.4%
77	1,636,301,819	14.6%	07	15,565,827,000	4.9%
78	1,923,085,084	17.5%	08	15,766,951,000	1.3%
79	2,115,211,522	10.0%	09	14,315,060,000	-9.2%
80	2,344,928,934	10.9%	10	14,219,477,000	-0.7%
81	2,579,663,941	10.0%	11	15,040,200,000	5.8%
82	2,796,458,741	8.4%	12	15,846,665,000	5.4%
83	2,975,687,935	6.4%	13	16,684,600,000	5.3%
84	3,397,710,261	14.2%	14	16,411,400,000	-1.6%
85	3,790,816,000	11.6%	15	17,735,600,000	8.1%
86	4,131,778,000	9.0%	16	18,040,100,000	1.7%
87	4,590,434,000	11.1%	17	18,695,100,000	3.6%
88	5,054,382,000	10.1%	18*	19,328,200,000	3.4%
89	5,478,912,000	8.4%	19*	20,096,500,000	4.0%
90	5,494,884,000	0.3%	20*	20,892,300,000	4.0%

* December 18, 2017 forecast (excludes transfers)

Growth in Total General Fund Revenues

Fiscal Year 1961 - Fiscal Year 2020

(Real -- Inflation-Adjusted Dollars)

<u>FY</u>	<u>Total Revenues</u>	<u>Growth</u>	<u>FY</u>	<u>Total Revenues</u>	<u>Growth</u>
61	1,308,219,663	-	91	7,963,034,810	-4.5%
62	1,358,302,390	3.8%	92	7,968,982,658	0.1%
63	1,587,338,434	16.9%	93	8,468,628,392	6.3%
64	1,629,847,528	2.7%	94	8,787,652,311	3.8%
65	1,743,330,162	7.0%	95	9,097,681,337	3.5%
66	1,934,001,303	10.9%	96	9,537,658,667	4.8%
67	2,138,659,812	10.6%	97	10,093,037,754	5.8%
68	2,669,223,236	24.8%	98	11,017,407,929	9.2%
69	3,388,733,277	27.0%	99	12,067,267,786	9.5%
70	3,406,136,191	0.5%	00	13,139,419,848	8.9%
71	3,541,757,832	4.0%	01	13,205,866,090	0.5%
72	3,895,436,812	10.0%	02	12,543,000,690	-5.0%
73	4,290,909,044	10.2%	03	12,523,327,792	-0.2%
74	4,400,496,591	2.6%	04	13,462,295,156	7.5%
75	4,447,709,532	1.1%	05	15,063,946,027	11.9%
76	4,576,182,856	2.9%	06	15,836,131,253	5.1%
77	4,957,288,594	8.3%	07	16,248,296,055	2.6%
78	5,461,990,951	10.2%	08	15,969,079,625	-1.7%
79	5,575,185,714	2.1%	09	14,324,012,508	-10.3%
80	5,607,228,484	0.6%	10	14,083,256,700	-1.7%
81	5,598,320,157	-0.2%	11	14,638,447,800	3.9%
82	5,673,855,024	1.3%	12	15,056,249,540	2.9%
83	5,756,573,425	1.5%	13	15,613,184,263	3.7%
84	6,316,738,108	9.7%	14	15,143,020,595	-3.0%
85	6,807,454,264	7.8%	15	16,226,643,824	7.2%
86	7,199,944,238	5.8%	16	16,640,370,091	2.5%
87	7,833,304,608	8.8%	17	16,726,103,139	0.5%
88	8,321,990,936	6.2%	18*	17,061,062,090	2.0%
89	8,641,987,421	3.8%	19*	17,463,592,713	2.4%
90	8,337,488,004	-3.5%	20*	17,809,915,638	2.0%

* December 18, 2017 Forecast (Excludes Transfers)

Shaded areas indicate years in which there was a national recession.

NONGENERAL FUND REVENUE PROJECTIONS
For Fiscal Years 2018 Through 2024
 \$ (Millions)

	Actual							
	2017	2018	2019	2020	2021	2022	2023	2024
Taxes:								
Motor vehicle fuel tax	\$912.2	\$949.4	\$960.1	\$967.1	\$973.8	\$980.6	\$986.9	\$991.2
Unemployment compensation payroll tax	\$504.5	\$395.0	\$362.0	\$357.7	\$375.8	\$404.7	\$436.6	\$457.3
Special highway tax from sales tax	\$713.9	\$759.5	\$776.5	\$793.1	\$810.3	\$819.6	\$835.7	\$850.0
Motor vehicle sales tax and use tax	\$957.7	\$922.4	\$952.6	\$962.5	\$981.5	\$981.0	\$970.9	\$980.6
Other taxes	\$1,497.2	\$1,527.7	\$1,594.1	\$1,610.0	\$1,579.8	\$1,600.3	\$1,617.8	\$1,636.6
Total	\$4,585.5	\$4,554.0	\$4,645.2	\$4,690.4	\$4,721.2	\$4,786.1	\$4,847.8	\$4,915.6
Rights and privileges:								
Motor Vehicle Licenses	\$346.4	\$368.2	\$368.1	\$371.7	\$372.0	\$372.0	\$372.0	\$372.0
Other Rights & Privileges	\$743.1	\$757.8	\$1,347.6	\$850.3	\$806.5	\$778.6	\$783.6	\$792.9
Total	\$1,089.5	\$1,126.0	\$1,715.7	\$1,222.1	\$1,178.5	\$1,150.6	\$1,155.6	\$1,164.9
Sales of property and commodities:								
Alocoholic Beverage Sales	\$778.3	\$981.6	\$1,026.3	\$1,073.5	\$1,122.9	\$1,174.5	\$1,228.6	\$1,285.1
Other Sales	\$877.2	\$796.3	\$790.2	\$785.8	\$785.5	\$785.8	\$786.3	\$786.4
Total	\$1,655.5	\$1,777.9	\$1,816.5	\$1,859.3	\$1,908.4	\$1,960.3	\$2,014.9	\$2,071.5
Assessment & Receipts for Support of Special Services:								
	\$698.6	\$721.1	\$767.8	\$812.8	\$862.5	\$915.1	\$972.7	\$1,034.5
Institutional revenue:								
Institutions of Higher Education ²	\$2,596.2	\$5,891.3	\$6,116.5	\$6,321.8	\$6,427.0	\$6,625.8	\$6,799.9	\$6,948.4
Other Educational Institutions	\$4.0	\$3.8	\$3.8	\$3.8	\$3.7	\$3.7	\$3.7	\$3.8
Medical Hospitals ²	\$0.0	\$1,794.6	\$1,874.9	\$1,899.6	\$2,027.6	\$2,113.1	\$2,199.8	\$2,268.9
Mental Hospitals	\$201.1	\$188.5	\$163.8	\$154.2	\$152.0	\$144.5	\$144.6	\$145.5
Corrections	\$57.5	\$56.3	\$56.0	\$56.3	\$56.8	\$56.8	\$57.3	\$57.3
Other Institutions	\$78.3	\$76.1	\$77.3	\$79.2	\$82.1	\$85.9	\$89.7	\$92.8
Total	\$2,937.0	\$8,010.6	\$8,292.2	\$8,514.9	\$8,749.2	\$9,029.7	\$9,295.0	\$9,516.6
Interest dividends and rents:								
	\$213.2	\$161.2	\$170.3	\$176.0	\$181.9	\$189.3	\$197.0	\$207.3
Grants and donations:								
Federal grants and contracts	\$9,678.2	\$10,212.1	\$11,295.0	\$12,671.6	\$12,754.6	\$12,863.4	\$13,007.4	\$13,133.3
Other grants & contracts	\$195.0	\$133.1	\$413.3	\$329.9	\$380.5	\$165.4	\$116.7	\$105.3
Total	\$9,873.1	\$10,345.2	\$11,708.3	\$13,001.4	\$13,135.2	\$13,028.7	\$13,124.2	\$13,238.6
Other Revenue:								
	\$1,873.9	\$1,998.6	\$2,141.2	\$2,300.0	\$2,374.5	\$2,413.7	\$2,454.6	\$2,493.9
Total Nongeneral Fund Revenue: ¹								
	\$22,926.2	\$28,694.6	\$31,257.0	\$32,576.8	\$33,111.4	\$33,473.7	\$34,061.8	\$34,642.9
\$ Amount change from previous year		\$5,768.5	\$2,562.4	\$1,319.8	\$534.6	\$362.3	\$588.1	\$581.1
% Change from previous year		25.2%	8.9%	4.2%	1.6%	1.1%	1.8%	1.7%

¹ Page 1 totals adjusted to reflect lottery proceeds being listed separately.

² Per the Management Agreement between the tier 3 schools and the Commonwealth as set forth in Chapters 933 and 943 of the 2006 Acts of Assembly, the type 3 schools are not required to report actual revenue collections in CARS.

FY 2018 Estimate
Per Chapter 836

Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund Revenue Collections
For the Fiscal Years 2017 and 2018
(Dollars in Thousands)

Revenue	(1) FY 2018 Estimate	(2) As a % of Gen Fund Rev	(3) November		(5) % Change	(6) Year-T-to-Date		(8) % Change	(9) Annual Growth Req By Est
			FY 2018	FY 2017		FY 2018	FY 2017		
Individual Income Tax:									
Withholding	\$12,103,900	63.06	\$1,030,758	\$990,380	4.1	\$4,908,075	\$4,718,301	4.0	1.8
Tax Dues/Estimated Payments	3,229,700	16.83	67,503	54,780	23.2	641,722	635,251	1.0	7.0
Gross Individual Income Tax	\$15,333,600	79.89	\$1,098,261	\$1,045,160	5.1	\$5,549,797	\$5,353,552	3.7	2.8
Individual and Fiduciary Income (Refunds)	(1,943,600)	(10.13)	(40,689)	(33,985)	19.7	(248,308)	(233,936)	6.1	4.4
Net Individual Income Tax	\$13,390,000	69.76	\$1,057,572	\$1,011,175	4.6	\$5,301,489	\$5,119,616	3.6	2.6
Sales and Use Tax	\$3,450,600	17.98	\$282,758	\$268,996	5.1	\$1,245,240	\$1,189,745	4.7	2.8
Corporations Income Tax	840,600	4.37	3,162	(4,885)	164.7	272,128	172,440	57.8	1.6
Wills, Suits, Deeds, Contracts	407,900	2.13	27,736	30,402	(8.8)	168,874	173,005	(2.4)	3.4
Insurance Premiums	364,800	1.90	0	0	-	0	0	-	7.0
Interest Income (a)	61,300	0.33	13,233	7,754	70.7	38,444	29,539	30.1	10.2
Alcoholic Beverage Sales (b)	233,700	1.22	48,714	46,606	4.5	67,374	64,532	4.4	5.1
All Other Revenues	444,400	2.31	24,389	29,773	(18.1)	134,241	141,352	(5.0)	(0.1)
Total General Fund Revenues	\$19,193,300	100.00	\$1,457,564	\$1,389,821	4.9	\$7,227,790	\$6,890,229	4.9	2.7

Percentage is greater than or equal to 1,000%.

- (a) Interest is earned monthly in the General Fund and credited to nongeneral funds on a quarterly basis. This will occur in the months of October, January, April and June.
- (b) Includes Beer and Beverage Excise Tax and Alcoholic Beverage State Tax.

Commonwealth of Virginia/Department of Accounts
General Fund Statement of Revenue Collections and Estimates
For the Fiscal Years 2017 and 2018

(Dollars in Thousands)

	(1) FY 2018 Estimate	(2) As a % of Total Gen Fund Rev	(3) FY 2018	(4) November FY 2017	(5) Change %	(6) FY 2018	(7) Year-To-Date FY 2017	(8) Change %	(9) Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$12,103,900	63.06	\$1,030,758	\$990,380	4.1	\$4,908,075	\$4,718,301	4.0	1.8
Tax Dues/Estimated Payments	3,229,700	16.83	67,503	54,780	23.2	641,722	635,251	1.0	7.0
Gross Individual Income Tax	\$15,333,600	79.89	\$1,098,261	\$1,045,160	5.1	\$5,549,797	\$5,353,552	3.7	2.8
Individ and Fiduc Income (Refunds)	(1,943,600)	(10.13)	(40,689)	(33,985)	19.7	(248,308)	(233,936)	6.1	4.4
Net Individual Income Tax	\$13,390,000	69.76	\$1,057,572	\$1,011,175	4.6	\$5,301,489	\$5,119,616	3.6	2.6
Sales and Use Tax	3,450,600	17.98	282,758	268,996	5.1	1,245,240	1,189,745	4.7	2.8
Corporations Income	840,600	4.37	3,162	(4,885)	164.7	272,128	172,440	57.8	1.6
Public Service Corporations	97,800	0.51	5,970	5,874	1.6	34,285	35,342	(3.0)	2.9
Insurance Premiums	364,800	1.90	0	0	-	0	0	-	7.0
Alcoholic Beverage Excise	191,400	1.00	45,358	43,424	4.5	49,038	45,786	7.1	5.9
Beer and Beverage Excise	42,300	0.22	3,356	3,182	5.5	18,336	18,746	(2.2)	1.5
Wills, Suits, Deeds, Contracts	407,900	2.13	27,736	30,402	(8.8)	168,874	173,005	(2.4)	3.4
Inheritance, Gift, and Estate	0	0.00	677	0	-	817	253	222.9	(100.0)
Bank Franchise	18,400	0.10	0	15	(100.0)	229	(914)	125.1	(16.5)
Other Taxes	12,900	0.07	781	1,614	(51.6)	8,337	3,275	154.6	40.2
Total Taxes	\$18,816,700	98.04	\$1,427,370	\$1,359,797	5.0	\$7,098,773	\$6,757,294	5.1	2.7
Rights and Privileges:									
Licenses and Permits	\$4,100	0.02	\$308	\$393	(21.6)	\$1,558	\$1,665	(6.4)	(1.5)
Corp. Franchise and Charters	50,000	0.26	447	501	(10.8)	2,510	2,671	(6.0)	(6.3)
Fees for Misc. Privileges & Services	10,700	0.06	426	535	(20.4)	3,777	3,867	(2.3)	(8.9)
Total Rights and Privileges	\$64,800	0.34	\$1,181	\$1,429	(17.4)	\$7,845	\$8,203	(4.4)	(6.5)
Other Revenues:									
Sales of Property & Commodities	\$300	0.00	\$6	\$0	-	\$5,389	\$9	#	-
Assessmts & Rcpts for Support of Special Svcs	400	0.00	29	2	#	345	86	301.2	119.8
Institutional Revenue	6,000	0.03	115	183	(37.2)	1,152	1,184	(2.7)	165.6
Interest (a)	61,300	0.33	13,233	7,754	70.7	38,444	29,539	30.1	10.2
Dividends and Rent	500	0.00	11	41	(73.2)	283	315	(10.2)	40.8
Fines, Forfeitures & Fees	224,900	1.17	15,508	20,027	(22.6)	86,540	94,599	(8.5)	(1.4)
Other Revenue	18,100	0.09	88	668	(86.8)	(9,743)	167	#	68.1
Excess Fees	(7,100)	(0.04)	(646)	(683)	5.4	(3,894)	(4,000)	2.7	10.5
Private Donations, Gifts & Cont.	0	0.00	0	0	-	0	0	-	(100.0)
Cities, Counties, and Towns	7,400	0.04	669	603	10.9	2,656	2,833	(6.2)	(0.1)
Total Other Revenues	\$311,800	1.62	\$29,013	\$28,595	1.5	\$121,172	\$124,732	(2.9)	5.1
Total General Fund Revenues	\$19,193,300	100.00	\$1,457,564	\$1,389,821	4.9	\$7,227,790	\$6,890,229	4.9	2.7

Percentage is greater than or equal to 1,000%.

(a) Interest is earned monthly in the General Fund and credited to nongeneral funds on a quarterly basis. This will occur in the months of October, January, April and June.

Commonwealth of Virginia/Department of Lottery
Summary Report on Lottery Collections
For the Fiscal Years 2017 and 2018
(Dollars in Thousands)

	FY 2018 Estimate	November		Year-To-Date		% Annual Growth Required
		(a)	(b)	(a)	(b)	
		FY 2018	FY 2017	FY 2018	FY 2017	By Estimate
			Change		Change	
			%		%	
Lottery Collections						
Total Lottery Sales	\$1,992,171	\$167,558	\$166,993	0.3	\$855,443	5.9
Other Income	1,000	125	223	(43.9)	244	(65.2)
Total Income	\$1,993,171	\$167,683	\$167,216	0.3	\$855,687	5.9
Less:						
Prize Expenses	\$1,222,918	\$102,200	\$103,387	(1.1)	\$511,714	5.5
Retailer Commissions	112,637	9,321	9,199	1.3	48,723	7.7
Operating Expenses	111,120	9,415	8,777	7.3	44,272	8.8
Total Expenses	\$1,446,675	\$120,936	\$121,363	(0.4)	\$604,709	5.9
Net Proceeds from Operations						
Net Lottery Ticket Profits	\$546,496	\$46,747	\$45,853	1.9	\$250,978	5.8
Prior Year Residual Profit Transfer	0	0	0	-	11,819	(77.9)
Available to Lottery Proceeds Fund	\$546,496	\$46,747	\$45,853	1.9	\$262,797	(9.6)

Percentage is greater than or equal to 1,000%.

(a) Estimate established by Chapter 836, 2017 Virginia Acts of Assembly. The Prior Year Residual Profit Transfer of \$11,819,169 was made on August 15, 2017. The FY 2018 estimate will be revisited as part of the state revenue forecast process and will include an updated estimate of FY 2018 sales and profits, as well as the residual transfer from FY 2017.

(b) Amounts reported are accrual-based estimates (unaudited closing).

(c) The current year figures on this chart, including growth percentages, are not an indicator of the probable outcome for the fiscal year. Lottery revenues can have dramatic swings up and down month to month depending on the lotto jackpots, prize expense, and game related administrative expenses.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Summary Statement of Selected Revenue Estimates & Collections

For the Fiscal Years 2017 and 2018

(Dollars in Thousands)

Revenue	FY 2018 Estimate	As a % of Total Fund	November		Year-To-Date		% Change	% Change	% Annual Growth Required By Estimate
			FY 2018	FY 2017	FY 2018	FY 2017			
Motor Fuel Taxes	\$877,500	18.09	\$68,770	\$67,392	\$320,930	\$307,919	2.0	4.2	0.6
Priority Transportation Fund (PTF)	168,018	3.47	3,716	8,218	138,658	138,653	(54.8)	0.0	3.0
Motor Vehicle Sales and Use Tax	986,900	20.36	74,485	76,459	416,884	422,846	(2.6)	(1.4)	(1.0)
State Sales and Use Tax	1,045,200	21.56	85,546	81,611	376,898	368,280	4.8	2.3	2.4
Motor Vehicle License Fees	255,400	5.27	17,567	19,108	105,413	106,240	(8.1)	(0.8)	(1.8)
International Registration Plan	64,000	1.32	5,530	4,243	22,474	20,632	30.3	8.9	(3.3)
Recordation Tax	48,400	1.00	3,372	3,671	20,479	21,414	(8.1)	(4.4)	0.6
Interest Earnings	2,300	0.05	64	60	1,965	1,724	6.7	14.0	(63.9)
Misc. Taxes, Fees, and Revenues	17,300	0.36	1,435	1,986	7,229	7,523	(27.7)	(3.9)	(6.0)
Total State Taxes and Fees	\$3,465,018	71.48	\$260,485	\$262,748	\$1,410,930	\$1,395,231	(0.9)	1.1	0.4

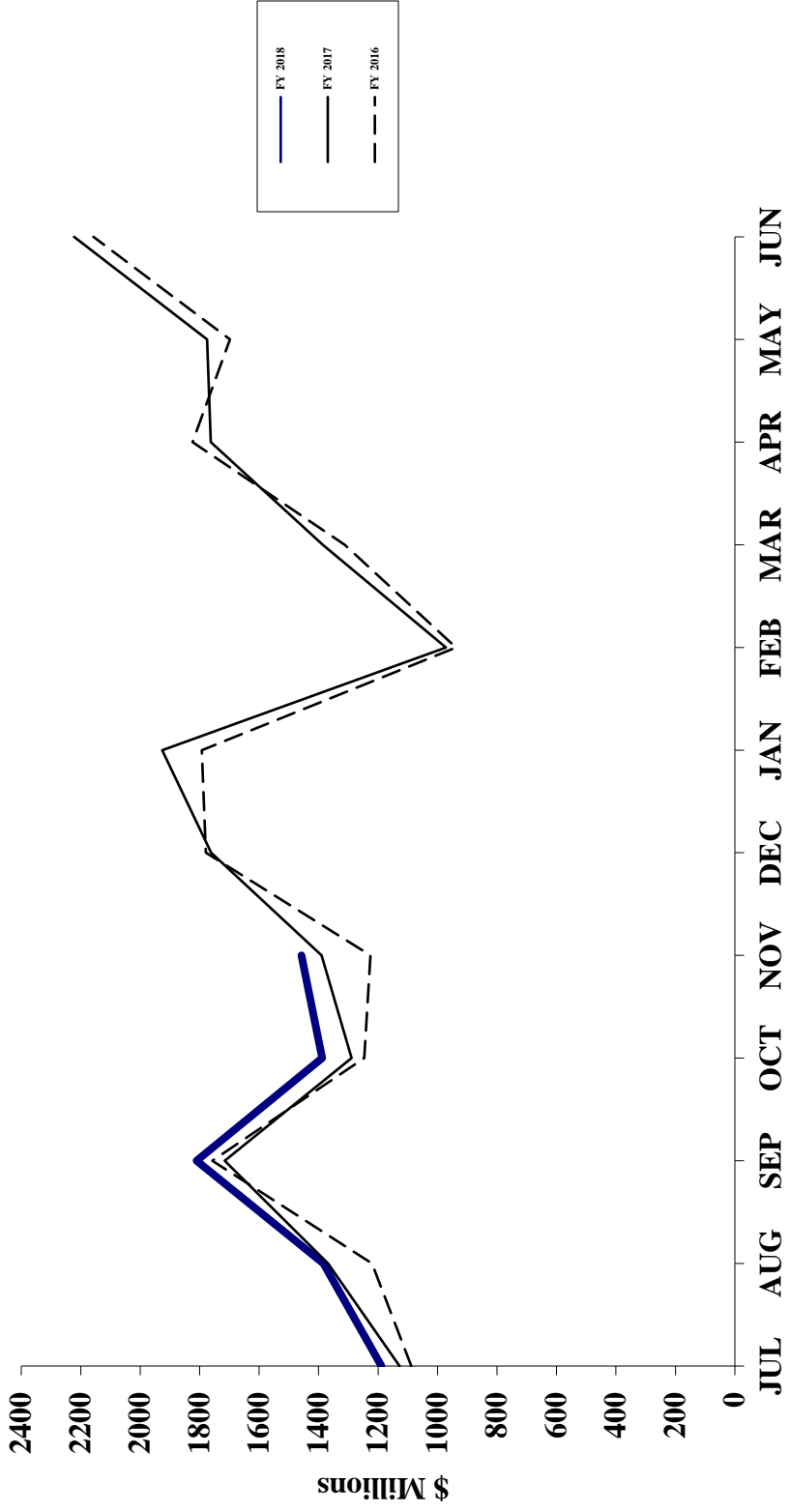
Percentage is greater than or equal to 1,000%.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Statement of Revenue Estimates & Collections
For the Fiscal Years 2017 and 2018
(Dollars in Thousands)

Revenue	FY 2018 Estimate	As a % of Total Fund	November		FY 2017		FY 2018		FY 2017		FY 2018		% Annual Growth Required By Est
			FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017	Change	Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:													
Motor Fuel Taxes (Includes Road Tax)	\$701,700	14.47	\$54,185	\$54,255	(0.1)	\$260,050	\$249,204	4.4					0.3
Motor Vehicle Sales and Use Tax	712,100	14.69	53,689	55,357	(3.0)	300,470	303,502	(1.0)					(1.3)
State Sales and Use Tax	291,700	6.01	23,795	22,653	5.0	107,181	97,776	9.6					5.3
Motor Vehicle License Fees	233,500	4.82	16,016	17,490	(8.4)	96,285	97,064	(0.8)					(1.9)
International Registration Plan	64,000	1.32	5,530	4,243	30.3	22,474	20,632	8.9					(3.3)
Misc. Taxes, Fees, and Revenues	17,300	0.36	1,435	1,986	(27.7)	7,229	7,523	(3.9)					(6.0)
Total State Taxes and Fees	\$2,020,300	41.67	\$154,650	\$155,984	(0.9)	\$793,689	\$775,701	2.3					0.0
Other Revenues:													
Federal Grants and Contracts	\$0	0.00	\$1,761	\$3,819	(53.9)	\$18,372	\$28,220	(34.9)					(100.0)
Miscellaneous Revenues	18,061	0.37	4,265	1,234	245.6	13,230	8,547	54.8					(23.1)
Transfer (to) / from Transportation Trust Fund	121,031	2.50	0	0	-	19,832	25,000	(20.7)					33.4
Total Highway Maintenance and Operating Fund	\$2,159,392	44.54	\$160,676	\$161,037	(0.2)	\$845,123	\$837,468	0.9					(1.6)
TRANSPORTATION TRUST FUND:													
Motor Fuel Taxes	\$175,800	3.62	\$14,585	\$13,137	11.0	\$60,880	\$58,715	3.7					1.7
(Includes Aviation & Road Taxes)	168,018	3.47	3,716	8,218	(54.8)	138,658	138,653	0.0					3.0
PTF Insurance Premiums Tax	274,800	5.67	20,796	21,102	(1.5)	116,414	119,344	(2.5)					(0.2)
Motor Vehicle Sales and Use Tax	753,500	15.55	61,751	58,958	4.7	269,717	270,504	(0.3)					1.4
(Includes Rental Tax)	21,900	0.45	1,551	1,618	(4.1)	9,128	9,176	(0.5)					(1.6)
State Sales and Use Tax	48,400	1.00	3,372	3,671	(8.1)	20,479	21,414	(4.4)					0.6
Motor Vehicle License Fees	2,300	0.05	64	60	6.7	1,965	1,724	14.0					(63.9)
Recordation Tax	\$1,444,718	29.81	\$105,835	\$106,764	(0.9)	\$617,241	\$619,530	(0.4)					0.9
Interest Earnings													
Total State Taxes and Fees	\$1,444,718	29.81	\$105,835	\$106,764	(0.9)	\$617,241	\$619,530	(0.4)					0.9
Other Revenues:													
Federal Grants and Contracts	\$1,191,025	24.57	\$38,955	\$41,518	(6.2)	\$682,529	\$712,555	(4.2)					6.6
Receipts from Cities/Countries	150,867	3.11	22,433	10,938	105.1	108,453	65,592	65.3					(28.5)
Toll Revenues (Includes Route 28)	17,000	0.35	982	999	(1.7)	5,331	5,402	(1.3)					(10.8)
Miscellaneous Revenues	5,893	0.12	14,509	2,888	402.4	24,572	12,794	92.1					(82.5)
Total Other Revenues	\$1,364,785	28.15	\$76,879	\$56,343	36.4	\$820,885	\$796,343	3.1					(1.2)
Transfer (to) / from Highway Maintenance and Operating Fund	(\$121,031)	(2.50)	\$0	\$0	-	(\$19,832)	(\$25,000)	20.7					(33.4)
Total Transportation Trust Fund	\$2,688,472	55.46	\$182,714	\$163,107	12.0	\$1,418,294	\$1,390,873	2.0					(1.2)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$4,847,864	100.00	\$343,390	\$324,144	5.9	\$2,263,417	\$2,228,341	1.6					(1.4)

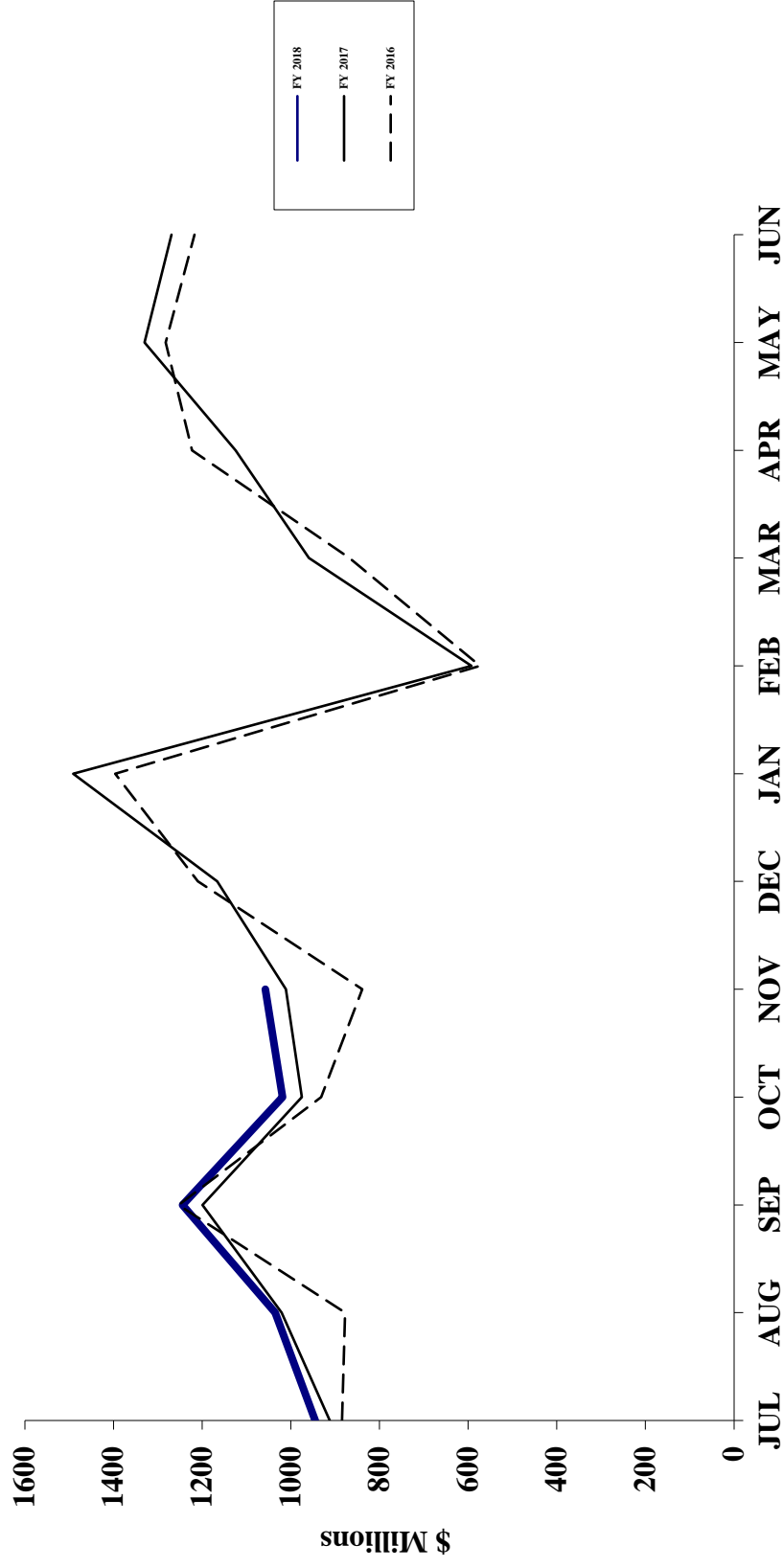
Percentage is greater than or equal to 1,000%.

Total General Fund Revenues



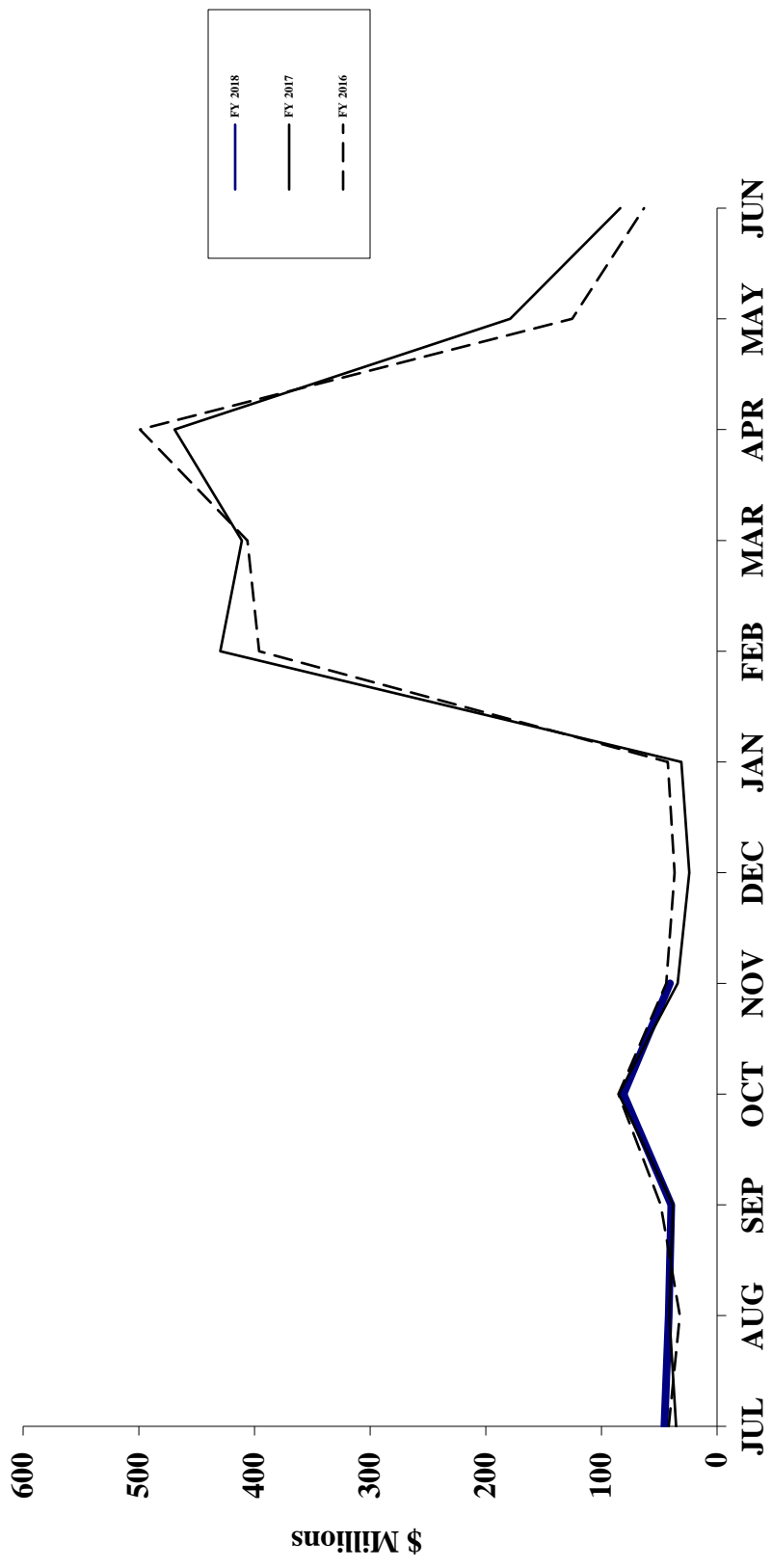
FY 2016 Actual = \$18,040.1 Million
FY 2017 Actual = \$18,695.1 Million
FY 2018 Estimate = \$19,193.3 Million

Net Individual Income Tax



FY 2016 Actual = \$12,555.6 Million
FY 2017 Actual = \$13,052.9 Million
FY 2018 Estimate = \$13,390.0 Million

Individual and Fiduciary Income Tax Refunds



FY 2016 Actual = \$1,820.7 Million
FY 2017 Actual = \$1,861.0 Million
FY 2018 Estimate = \$1,943.6 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio
 Monthly Average Balances and Rates
 For the Fiscal Year 2018
 (Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		EXTERNAL MANAGEMENT EXTENDED DURATION		COMPOSITE		TREASURY 1 YR. CONSTANT MATURITY ¹ Yield
	Avg. Balance	Yield	Avg. Balance	Annualized Total Return	Avg. Balance	Rate	
July, 2017	\$4,568.1	1.15%	\$1,270.7	4.94%	\$5,838.8	1.97%	1.22%
August	\$3,985.7	1.17%	\$1,277.1	7.52%	\$5,262.8	2.71%	1.23%
September	\$4,286.7	1.21%	\$1,278.7	-4.36%	\$5,565.4	-0.07%	1.28%
October	\$4,625.0	1.23%	\$1,276.7	0.58%	\$5,901.7	1.09%	1.40%
November	\$4,843.5	1.27%	\$1,275.6	-2.24%	\$6,119.1	0.54%	1.56%
December							
January, 2018							
February							
March							
April							
May							
June							
Year-to-Date Average	\$4,461.8	1.21%	\$1,275.8	1.34%	\$5,737.6	1.24%	1.34%

• Performance on the extended duration portion of the General Account is reported on an annualized total return basis. Total return includes unrealized gains and losses, which in the short term can make returns more volatile. Over an extended time period the fluctuations average out and total return approaches the portfolio yield.

• Unaudited.

¹ Federal Reserve Bank H-15 Release.

**Commonwealth of Virginia/Department of Accounts
Report on the Revenue Stabilization Fund
For the Fiscal Year 2018**

<u>Month</u>	<u>Beginning Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Interest Allocated (A)</u>	<u>Ending Balance</u>
July	\$548,820,198	\$0	\$0	\$0	\$548,820,198
August	\$548,820,198	\$0	\$0	\$0	\$548,820,198
September	\$548,820,198	\$0	\$0	\$0	\$548,820,198
October	\$548,820,198	\$0	\$0	\$1,724,295	\$550,544,493
November	\$550,544,493	\$0	\$0	\$0	\$550,544,493
December					
January					
February					
March					
April					
May					
June					

Notes: (A) Interest is earned monthly but credited to the Revenue Stabilization Fund on a quarterly basis.